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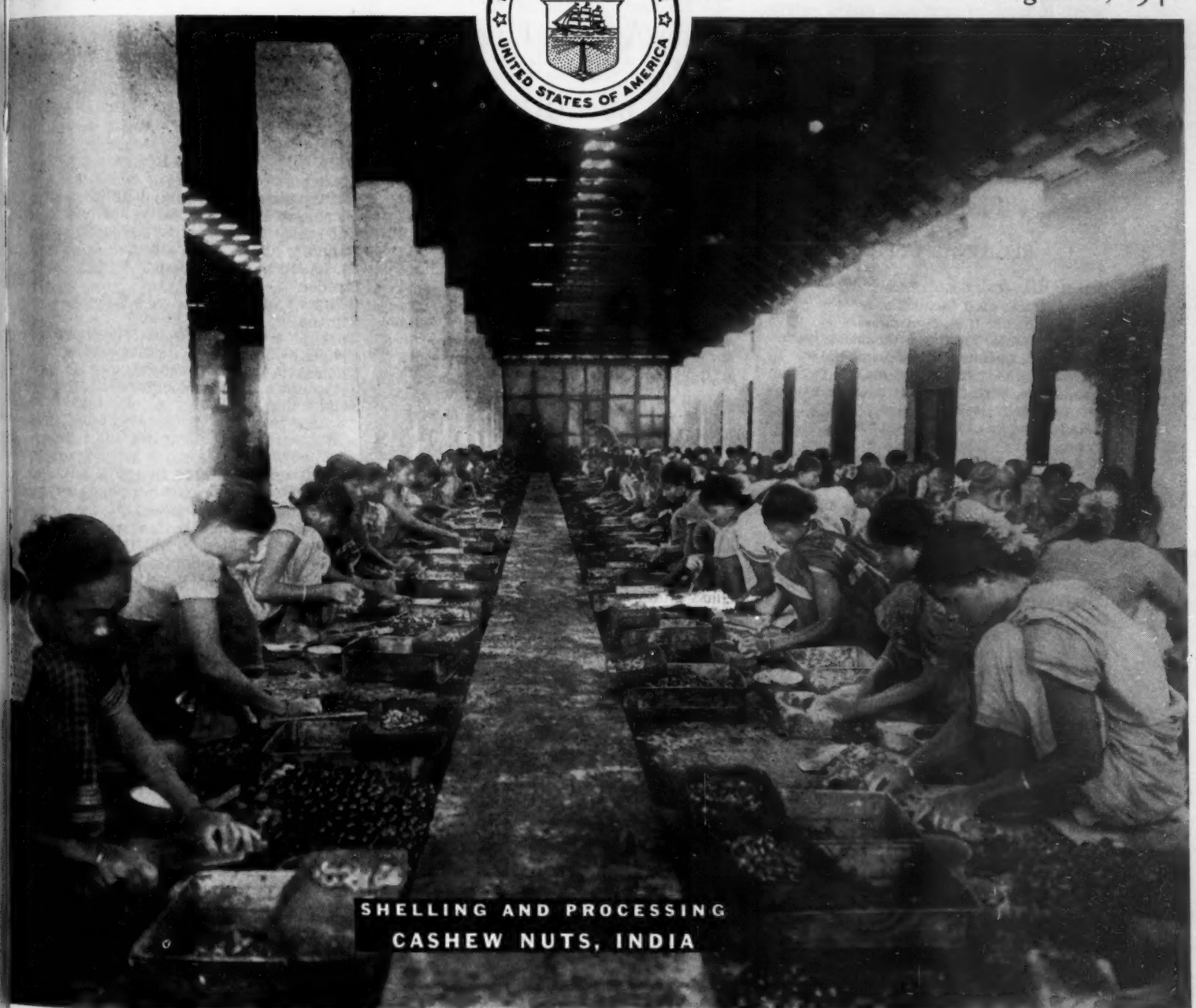
# FOREIGN Commerce Weekly

*Vol.* VIII, *No.* 6 *August* 8, 1942



SHELLING AND PROCESSING
CASHEW NUTS, INDIA

# Foreign Commerce Weekly

*Issued by the*

UNITED STATES

DEPARTMENT OF COMMERCE

JESSE H. JONES, *Secretary*

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*Cover Photo: Courtesy E. B. Soans, Mangalore.*


*Vol.* VIII, *No.* 6 — *August* 8, 1942


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"The Bureau of Foreign and Domestic Commerce . . . . to further promote and develop the foreign and domestic commerce of the United States." *(Law creating the Bureau, Aug. 23, 1912 {37 Stat., 408}.)*

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# Federation of British Industries Cites Problems of Reconstruction

The Federation of British Industries, which represents practically all important British trade associations, has recently issued a report on "Reconstruction." This report was submitted at the request of the President of the Board of Trade, who asked for the considered views of industry as to the main problems which it felt would need solution in the post-war period.

The Federation feels that it is too early to attempt to lay down definite policies to be adhered to after the war, since the length of the war, the alignment of powers at the end, the damage done, the volume of productive capacity which may come into being in Great Britain and other countries, and the nature of the victory are all factors which will affect post-war policy. It has therefore confined the report to a statement of the main problems of the future, with little or no attempt to suggest solutions.

The report does not touch labor questions and the relation between employers and employees, as the Federation felt that such subjects were in the province of the British Employers' Confederation.

## *Surveys Probable Problems*

The report takes cognizance of both the producer-need and the consumer-need. It emphasizes that the danger of bureaucratic influence and the stifling of individual efforts and of private enterprise must be avoided. It faces the fact that Britain will not be a creditor but a debtor nation after the war and that the United States will dominate the international economic scene, and it asks for a realistic facing of the difficulties involved in Anglo-American cooperation.

In general, the report is a comprehensive survey of the probable problems which the British will face when peace comes. The Federation submits the following 14 points as a basis for planning.

The *first* submission is that, whatever the future form of cooperation in policing the world against aggression may be, it is essential that the democracies and other peace-loving nations of the world should take a continuing and permanent interest in insuring the maintenace of a sufficient force to curb aggression, and that they should be prepared to use that force without hesitation or delay, should the necessity arise. Otherwise any post-war economic structure will be founded on a quicksand.

## *Britishers Must Cooperate*

The *second* submission is that the gravity of the task lying ahead must not be underestimated, and that every section of the British people must realize that success in that task will depend upon the effort put forth: it will only be possible to preserve a reasonable standard of life by hard work, and by attaching as much importance to obligations toward the community as to the rights claimed from it.

The *third* submission is that, to carry out the tasks of reconstruction, continuing international cooperation will be needed. The problems cannot be solved once and for all at any peace conference, or by a peace treaty, but need the will and the determination to secure continuing cooperation over a length of years, sufficiently close and elastic to enable methods to be suited to what may well be unforeseen changes in conditions, which are likely to arise from time to time. Cooperation with Britain's Allies during the war is described by the Federation as the necessary starting-point for an eventual wider international collaboration after the war.

## *Aid for Stricken Countries*

The *fourth* submission is that the immediate task after the war will be to provide the stricken countries of the world with the first essentials of life and the wherewithal to restore their essential economic machinery; the continuing task will be to re-create the economic systems of the world, with a view to achieving world prosperity. The policy of the United Kingdom must, it is said, be designed to help in the achievement of that objective, and the world systems must be of such a nature as to facilitate the economic prosperity of the United Kingdom.

The *fifth* submission is:

(*a*) That a common policy between the United Kingdom, the Empire, and the United States is essential, although the difficulties are fully realized.

(*b*) That this policy must have for its objective the restoration, in the measure possible, of world prosperity, and must be such as to facilitate the prosperity of the United Kingdom.

(*c*) That a system of consultation with the United States should be created with a view to joint discussions of the means whereby it will be possible to restore prosperity to ourselves and the rest of the world.

## *Industry Can Get Together*

Practical cooperation between British and American industry is possible even today, it is stated, and should be considered by the British Government and by industry. Despite war conditions, such discussions hold out great hopes for fruitful cooperation which, if realized, will be of inestimable benefit in the postwar period.

(*d*) That a system of consultation by Britain with the Dominions, including India, should be devised to permit of a common Empire policy being formulated for discussion with the United States at the appropriate moment.

(*e*) That any British Empire-United States group that may be formed must maintain close touch with the Soviet Union and China, with a view to economic cooperation.

(*f*) That in the consideration of these problems, and in the discussions which will arise from them, the cooperation of industrial and other business interests in Great Britain should be sought and utilized to the full.

## *Increase Purchasing Power!*

The *sixth* submission is:

(*a*) That one of the basic principles of reconstruction is that of increasing world purchasing power;

(*b*) That in order to obtain a closer equation between the purchasing power of the primary and secondary producing countries a measure of regulation of production, both primary and secondary, may be necessary, but that such control and restriction cannot by itself form a basis for an increase in world prosperity.

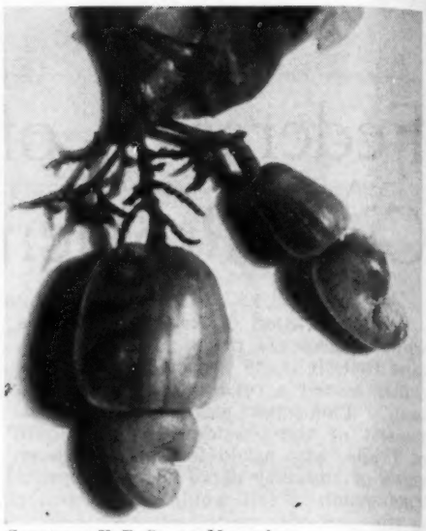
(*c*) That serious attention should be given, both nationally and internationally, to the problem of how far it is possible to facilitate the development of certain of the more undeveloped areas of the world, such as the colonial empires of the various countries, and China, not so much from the point of view of their being providers of primary products for world use, as from that of encouraging domestic developments likely to improve their standard of life, or to give them the urge to do so.

The *seventh* submission of the Federation of British Industries is that the British Government should forthwith adopt a policy with regard to both taxation and contract prices which would enable adequate reserves to be built up, and should further examine, in consultation with industry, the means by which terminal losses can be dealt with at the appropriate moment. The needs of industry for continuing finance for development in the years after the war requires, it is stated, the most careful consideration.

(Continued on p. 31)

# INDIA'S Cashew Industry

*By* CURTIS C. JORDAN, *American Consul,* and DONALD R. CRONE, *Department of Commerce*



Courtesy : E. B. Soans, Mangalore

**Cashew fruit (bunch containing nuts attached to "apples").**

There are few persons who do not know that most of our rubber normally comes from the Far East, and not from South America. War has forced us to learn geography and economics; our necessities and luxuries often depend on out-of-the-way locations and unusual products. Sometimes, too, a material critically needed results from the production of another commodity, itself of minor importance.

The cashew nut—a bland, suave, curved kernel, familiar as an appealing luxury confection—presents a parallel to rubber.

## *History of Portuguese Nut*

Like the rubber tree, so vital to our well-being, the cashew originated in South America but does not come to us from there. It is a product of India. The English introduced the rubber tree into the East from Brazil, and the Portuguese are supposed to have transplanted the cashew into Africa and India. In the South of India it is still referred to as "Parangi Andi," or Portuguese nut.

For centuries the cashew remained practically unknown, other than in the Far East, but since World War I the culture, preparation, and exporting of this nut has become an important industry. So popular is it in the United States that about 84 percent of all that is marketed abroad is consumed by this country. Our taste for cashews has not only brought livelihood to many thousands of workers in India, but also has helped farmers in Africa who sell their raw nuts to Indian factories for processing.

## *Cashews Grow on Waste Land*

How would you recognize a cashew tree if you were to see one? Probably by knowing that, generally, it does not grow in groves or orchards—that it is not large, and its habitat is in corners or on waste land. These trees, which produce both fruit and nuts, usually grow where other farming is unprofitable, and flourish where other trees wilt and die.

Cashew trees are easily identified by their leaves. The leaf surfaces of the healthy trees are dark green, whereas the less-hardy trees have pale yellowish leaves. Some even look scorched, but this leaf condition is largely the result of hot weather. Flowers stay on the trees a long time, despite the heat, and the average period from budding until harvest is 71 days.

Three seasonal stages of growth distinguish the "Parangi Andi"—the first follows the fruiting which ends in May; the second coincides with heavy rains of mid-July, that bring further moderate growth; and the third flush comes in November, and in December flower panicles appear to bud and stay abloom through February. The trees bear best in years with a long, hot season; and light showers at flowering time are beneficial.

Courtesy : E. B. Soans, Mangalore

**Cashew tree, South India.**

*HALF-MINUTE DRAMA:* Scene One—*In far-away India, a number of exotic-looking, caste-marked people are watching iron pans placed over a fire. Oil blazes up vividly. The pans are seized. The contents are cast out on the earth. Sand, ashes, quench the flames.* Scene Two—*Dinner in a New York apartment. Glass and silver gleam. Formal attire rules. Mellow experience in living sets the tone of keen talk. The guests take from a dish a favorite imported food, consuming it with relish.* Scene Three—*The air over the racked invasion coast of Europe. Bombers of the United Nations are laying "block-busting" eggs. Savage "ack-ack" splits the sky. Hoarsely shouted orders pierce the roar of motors. In the planes' magneto armatures a certain lubricant is performing its invaluable function. A confused playlet, you say? A bit "surrealistic"? Not at all. The scenes are tied together by a single article of commerce—the humble, well-liked cashew nut. This article tells how and why.*

The *"Anacardium occidentale,"* as it is known scientifically, thrives under almost any kind of growing conditions found in tropic zones, and in almost any type of soil. Normally found scattered over vast areas of nearly infertile land, these trees—which grow in dry or wet places, in from 35 to as high as 150 inches of rainfall, annually—cover approximately 100,000 acres of India's area.

## *Tree Has Few Pests*

The tree has few serious pests, although caterpillars attack the bark and tassur silk worms sometimes eat the leaves. There are two serious diseases, however, which reduce the stands—"die-back," which kills off the young plants in hot weather, and a form of "bleeding" which destroys the older trees that have begun to bear.

The cashew has a long and fruitful life, although 7 years pass before the first full bearing, and the best yields of nuts come between the tenth and thirteenth years. Not only is a delicious kernel furnished by this tree, but firewood, packing, and boat-building material, as well, for in old age its trunk and branches are used by the Indian peasant who lives with it.

## *Chief Producing Districts*

While widespread areas in India, and also in Africa, have some of their agriculture devoted to raising or gathering the raw cashew, as with other foods and products throughout the world, the larger proportion of production is found in a concentrated district. South Kanara and Malabar yield approximately half the output of the Madras territory.

In Madras Presidency, the principal growing district, an estimated 45,000 acres of trees yield about 22,500 long tons of raw nuts and make up approximately 45 percent of India's production of raw cashews. In this district, agriculturists estimate the proportion of full-bearing trees at 85 percent; 10 percent are classed as immature, and 5 percent are rated fit only for charcoal or destruction.

Courtesy: E. B. Soans, Mangalore

Grading cashew kernels, India.

In addition to Madras Presidency, the Native States of Travancore and Cochin are outstanding growing areas, although a small amount also is produced near Bombay. Kernel processing seems to center in Madras. Mangalore, in Madras Presidency, and Quilon, in Travancore, are the foremost factory locations. Merchants in Bombay largely control the imports of nuts from Africa; Madras factories buy 11,600 long tons annually from Portuguese East Africa, and thereby increase net working stocks to 32,000 tons. This permits kernel production of 8,000 tons, much of which is sold in stores on our main streets.

## *Planting Methods*

Several methods are used in planting. Cashew seedlings are raised in nurseries and transplanted, or the seeds themselves are sown in plantation areas in June or July. Nearly 100 trees are planted per acre, in pits of 1 cubic foot, from 15 to 20 feet apart, and, as they grow, they are later thinned or filled. Occasionally, several nuts are planted in each pit and the better seedlings allowed to grow as the less sturdy are removed. Elsewhere seedlings are planted when about 6 months old, watered and fertilized for the first couple of years, and then left to make their way. In general practice, however, few trees have been planted or cultivated; usually they just happen to be where the native finds them.

Cashew-production research work has now been in progress for 11 years at Nileshwar and at the Agricultural Farm

Courtesy : E. B. Soans, Mangalore

**Vacuuming and final packing of cashew kernels. Note flexible connections to overhead vacuum line.**

at Taliparamba. Experiments in seeding, plant development, flowering, soils, methods, and morphology have been carried on, and much practical knowledge has been gained. So the future of the industry may be no less promising from the growing standpoint than from the mechanical.

## *Cashews Both Fruit, Nuts*

Raw nuts which provide the kernels are gray or brown, come in six classes—big, small, bulged, flat, heavy, and light—and can grow from the same tree, or be plucked at different times. Oil extracted from the shell is not the only byproduct—a juicy apple, from which the nut grows, also is part of the harvest. This apple, several times larger than the unshelled cashew, provides both fruit and beverage to the coolies who tend the trees and gather and prepare the produce. As around 65 percent of the apple is juice, it can be converted into sirup or fermented into wine or vinegar. There are two main classes of cashew apples, red and yellow, but various shadings subdivide these. The seeds are no different in weight, but the red fruit is slightly heavier than the yellow. Botanically, the cashew apple is a swollen peduncle which looks like fruit, but the nut is the real fruit and has the greater value.

## *Consumption and Value*

The cashew kernel is very much like the peanut in size, but is crescent-shaped, less pronounced in flavor, and usually retails for a price perhaps twice as high. The cashew is roasted, salted, sometimes bathed in hot butter, or mixed with other varieties of nuts. It has a high nutritive value, enhanced by vitamins A and $B_2$, and contains 14.4 percent protein, 4.5 percent fat, and 2.8 percent ash. Cashews are said to be superior to almonds or walnuts in digestibility and nutritive value.

Consumption of this nut in the United States is very new, and back in the peaceful days of 1923 we imported only 2,000 cases of 50 pounds each; in 1937 we bought 570,000 cases. Small quantities were imported here as early as 1905 but the first really large shipment came 20 years later, in 1925. The present war, however, may prevent us from enjoying this foreign delicacy until we can again ship goods freely—regardless of its strategic importance.

## *Oil From Cashew Shell*

The cashew's utility as oil probably now surpasses its worth as food. Oil from the cashew shell is a valuable import, as it is one of the best lubricants for magneto armatures in airplanes because of its high heat-resisting qualities.

This oil is reddish brown in color, and constitutes 29 percent of the raw nut plucked from the tree. Sometimes only half this amount is recovered, although improved roasters now are able to save practically all of it. Composed chemically of anacardic and gallic acids and cardol, the oil can be used as a preservative for boats and fishing nets in India, and in brake linings of motor vehicles. When highly refined, its foremost use for the present, at least, will be in magnetos of our planes for battle.

To insure maximum oil production, the War Production Board now requires importers to obtain specific authorization to bring cashew nuts into the United States. Even this permission may be conditioned upon extraction of the oil from shells befor the nuts are exported. This action indicates how the oil is regarded.

The higher price now paid, as compared with the price paid before the Japanese attack, gives some idea of the increasing value of cashew-nut oil, and hints that, industrially, it can be used in unique combinations, such as molding compositions, varnishes, insulating coatings, inks, and for termite-proofing of lumber.

## *Harvesting Is Hard Chore*

Ripening of the nuts extends from February through May, and this prolonged harvest period presents problems of gathering and assembly. Large groups of workers are needed to watch, pick, and transport the raw nuts from the trees to factories where cashews are processed throughout the year before being shipped to the retailers of the United States.

The main harvest season in Africa is earlier, coming between October and December, so the full period of assembling nuts for processing in Indian factories covers much of the year, extending all the way from October through May. This lengthy season assures practically full-time employment to thousands of women who dexterously separate the shells and kernels and assort the nuts for size and quality.

Coolies do the harvesting in India, using long bamboo poles with a hook at the end to remove the apple and nut. This work must be done carefully, to take only the ripe fruit and prevent damage to trees and immature growths. Improved methods of picking, and harvesting from a greater acreage of trees, have increased the total yields about 25 percent in recent years. From 2 to 12 bags, average weight 168 pounds each, are now gathered per acre, and the normal harvest is 10 hundredweight (112 pounds per hundredweight), or half a long ton.

## *Gathering Costs Vary*

Since most of the cashew trees grow in scattered places, and are seldom cultivated in plantations, they require much watching. However, in spite of guarding, boys pilfer them and form a sort of small producing group of their own. All in all, harvesting is a tedious operation, as it takes skill to pluck the fruits one by one, to avoid striking the branches with the poles or taking the unripe fruit. The expense of gathering the nuts varies as widely as the yield. The picking system used, the supply of help, and the number of trees combine to determine the harvesting cost, which is estimated to average 3 rupees 12 annas (about $1.13 U. S. currency) per acre.

In some districts cashew apples are given as wages for picking, in others the boys who guard the crop do the harvesting as well, and receive higher pay. Usually, however, the farmer who contracts to sell his crop while in flower

superintends the picking and separating of the apples and nuts. Certain landlords lease their crops for two-thirds of the harvest, and their tenants keep a third for their 5 months' work of watching. Producers are seldom paid in kind, and less than 5 percent, or little more than 1,000 tons, are retained by the growers of Madras.

## *Assembling and Marketing*

Actually, local gatherers do little grading of nuts as they are taken from the trees, leaving that work to the wholesaler who supplies the factory or processor. Nuts are collected in villages by petty dealers, much as farm products are gathered here—in small amounts assembled from house to house. Such quantities are carried to the "shandy" (weekly market) or nearest town and then sold to factory agents.

Wholesalers have their agents in producing centers or markets. Often these men are relatives or trusted employees who are empowered to buy the factory needs, knowing as they do the foreign markets, quotations, and conditions. Merchants and small dealers provide the competition which keeps the market for the crop from domination or control.

Assembling entails no significant expense—even though there are so many small producers who keep the nuts they gather in sacks or pots in their own homes until the collectors call. Larger producers keep their cashews in gunny sacks in sheds or on their verandas, for protection.

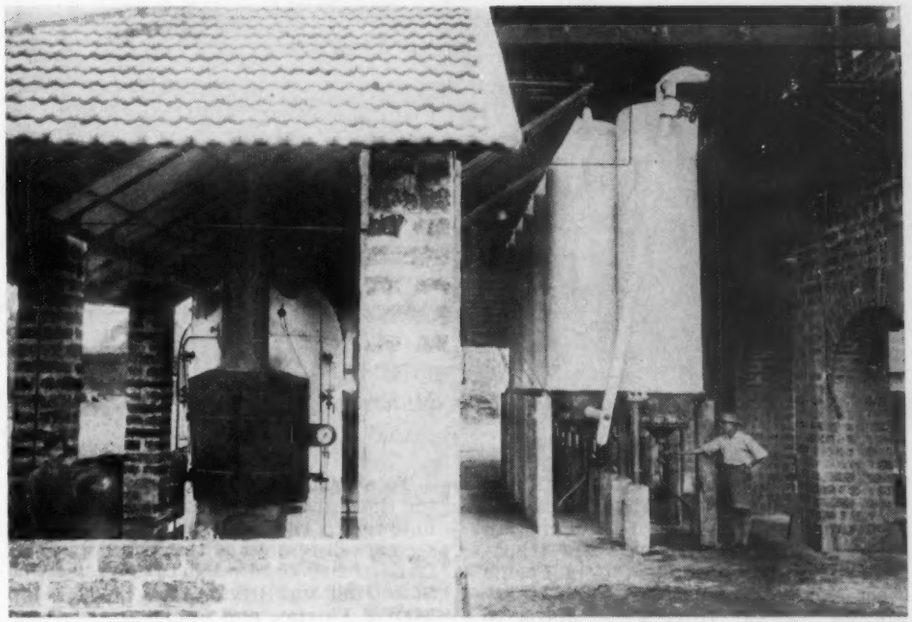
Because it is a cash crop, whose production utilizes but small labor, and it is seldom grown in plantations, the cashew requires almost no financing. The main attention must be centered on the gathering and selling. Nuts produced from stray trees, or stolen by boys, are often carried to market on the head. This head-hauling is necessary where there are no roads, and even some larger producers so transport their harvest. Where there are roads, carts are used to bring the produce to sales centers or to factories.

Cashews never reach the export consumer raw, they are always roasted and peeled. Much of the value of the nut as we know it is added in its preparation—skill, time, and much transport are needed to convert it into a merchantable product.

## *Operations Done by Women*

After arriving at the factories, the nuts are shelled, roasted, skinned, graded, and packed. Not all the factories are big handsome buildings; actually, some are merely places arranged for working under the trees.

Most of the finishing operations are done by women—various plants employing from 100 up to 2,000 persons. In Travancore State, for instance, there are more than 50 factories employing some 60,000 workers who produce an estimated 8,000,000 rupees' worth of kernels each year. Statistics about these employees are not complete. In fact, how many trees there are, what their exact production amounts to, and how large a body of workers earn their livings from the cashew are unknown factors; probably they will so remain.



Courtesy : E. B. Soans, Mangalore

**Oil recovery from cashew-nut shells, South India.**

Women workers in India first separate the apples from the nuts, if that has not already been done, and then extract kernels from the raw shells or wait until after the roasting or burning. While smaller dealers who supply the factories do not dry nuts, or segregate the unripe from those fully developed, larger wholesalers do dry and clean their produce and thereby lose as much as 10 percent in weight of what they buy from small producers and gatherers.

Merchants, accordingly, have set up two units for their dealings, buying from unimportant factors in larger quantities than they sell to factories, because the latter will not pay for the added weight of useless material. This trade practice allows for shrinkage, removal of inferior pieces, and storage.

Women coolies shell the cashew by striking the outside with a light wooden mallet and taking out each kernel. Separated kernels are warmed in drying chambers or in the sun, and a remaining outer skin is then easily removed.

## *Outdoor Roasting*

Cashew nuts are roasted out of doors, at many small plants. Two or three pounds of raw nuts are placed in shallow, semicircular, iron pans, and heated over an open fire. The heat causes some of the oil in the shell to catch fire and burn. Operatives lift the pans from the fire when ablaze, tilt the contents onto the ground, and quench the flames by throwing sand or ashes over the nuts. This work takes but a short time, because experts do it with clocklike regularity all through the day.

Roasting is a hazardous occupation; the fumes from the burning oil are injurious, so the open method of heating is prohibited within municipal limits. Another disadvantage is that much valuable oil in the shell is lost—a deplorable waste of this now extremely important by-product.

Some special roasting machines have been designed to keep the shell oil from burning away. These roasters are so planned as to give a choice in operations—one for obtaining good kernels, the other for getting more oil. Besides the rotary cylinder, there is a device for putting the nuts in wire trays and dipping them in molten metal or oil, at temperatures of 150° to 200° C., for a short while, until roasted. After removal from the bath, shelling proceeds as usual. A simple slow method of roasting is by thorough drying in the sun. Some of the kernels, too, are refined into oil, and approximately 40 percent of each nut becomes a bland, yellow, nutritious, edible oil. However, very little of this refining of nuts into oil is done in India.

A large firm in the industry has developed a method of roasting which uses a rotating iron cylinder built into a furnace. Raw nuts are passed through the cylinder (preheated with burning shells), and the fumes escape from a chimney, thereby reducing the workers' discomfort. Shortly after the nuts catch fire in the cylinder they reach the discharging end, sprays of water extinguish the flames, and the roasted pieces are cooled and shelled. Partial burning of cashews makes it easy to shell them, and more of the kernels are kept whole. The open and cylinder processes are two common means of roasting preparatory to shelling.

## *Grading by Size*

Following the peeling, comes the grading into different counts, or sizes. For the United States market, the more usual way is to prepare kernels according to

(Continued on p. 18)

# Trans-Andean Highway Links AMAZON

*By* EDWIN W. JAMES, *Chief, Inter-American Regional Office, United States Public Roads Administration*

The establishment of an agricultural experiment station at Tingo Maria, in the jungles to the east of the Peruvian Andes—a town which Peru's new trans-Andean highway has linked to the Pacific coast—and the extension of the trans-Andean highway from Tingo Maria to the navigable headwaters of the Amazon River, are notable among recent major economic developments in Peru.

The completed section of Peru's great internal highway passes over the Andes at an elevation of 13,000 feet. This road makes it possible, for the first time in history, for the people and industries of the Pacific coast of Peru to have constant communication and transportation facilities with the rich, but latent, resources of Peru's Amazonian jungles to the east of the Andes.

The highway, now being pushed farther eastward through the wilderness of the Amazon's headwaters, will, when it arrives at navigable depths of the Pucalpa River, create a new kind of "Panama Canal" through the widest part of the South American continent. From the Pacific Coast of Peru it will be possible to travel, or ship freight, overland to the Amazon and, by way of the Amazon, to the Atlantic coast of Brazil.

The highway is also expected to open up to exploitation a very fertile region, around the agricultural station, twice as large as the Kingdom of the Netherlands. The road is approximately 175 miles long, and, although built by Peru as an internal national road, it will eventually become a vital auxiliary to the international Pan-American highway system.

## *Provisions of New Treaty*

The highway and the original site of the agricultural experiment station at Tingo Maria were begun under the administration of President Oscar Benavides and under the special sponsorship of Hector Boza, former Minister of Fomento. A recent visit of President Manuel Prado of Peru to the United States and the signing of an agreement between the United States and Peru involving an Export-Import Bank credit of $25,000,000 are expected to hasten the completion of both the highway and the agricultural program.

To provide general factual background for the discussion of one of Peru's most noteworthy trade-stimulating projects, it seems well to note at this point that the trade treaty negotiated by Secretary of State Hull and Señor David Dasso, Minister of Finance and Commerce of Peru, provides reciprocal concessions covering a substantial portion of the trade between the two nations. The principal United States products to benefit from Peruvian tariff reductions are automobiles, trucks, and parts of them, typewriters and calculating machines, dried fruits, canned vegetables, fresh apples, pears and plums.

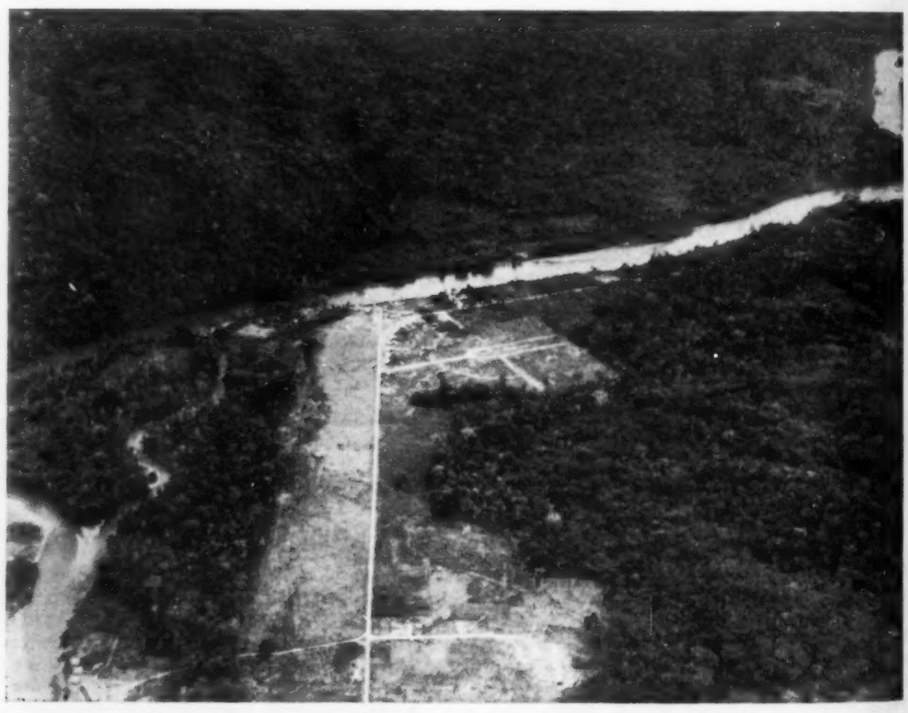
Chief commodities for which the United States has granted duty reductions are sugar, long-staple cotton, alpaca hair, llama and vicuña, bismuth and coca leaves.

Trade between the United States and Peru, which fell to $7,647,000 during the depression in 1932, rose in 1941, under the stimulus of the war, to $44,568,000.

## *Plan Mutual Economic Aid*

The agreement covering the credit of $25,000,000 provides for the establishment of a Peruvian Amazon Corporation (particularly relevant in connection with the highway project herein discussed), to handle the major trade and financial arrangements. Under the agreement, the United States Rubber Reserve Company, a subsidiary of the Reconstruction Finance Corporation, will acquire all the rubber produced in Peru for 5 years other than the amount used by Peru itself. Rubber is a significant product of the region described in the later paragraphs of this article.

Present United States-Peru plans include not only financial assistance, based on the credits extended by the Export-Import Bank of Washington but also technical advice and assistance by United States industrial and agricultural engineers. Specialists in erosion control,



Peru's new city of Tingo Maria, partly built. Note dense forests with which highway construction must contend.

highway engineering, and coal mining will also be loaned to Peru. The technicians from the United States, acting in an advisory capacity, visit Peru at the invitation of that Government.

Credits made available will be used to assist in financing Peruvian purchases in the United States of materials and equipment necessary for the construction of highways and other important public works. Development of agricultural, mining, and industrial resources also is envisaged.

## *Tingo Maria Experiment Depot*

The experiment station for agricultural and forest products which will be established at the town of Tingo Maria, near the headwaters of the Amazon, is expected to aid in the production of quinine, kapok, quinoa, and rotenone. Many other important products of the tropical forests in the Amazon region will be carefully studied with the ultimate objection of expanded commercial cultivation. Experiments will be made with products that are not native to the Americas, such as tea and abaca or manila hemp.

Tingo Maria is situated on the Huallaga River about 350 miles from Lima. It lies on the eastern slopes of the Andes, midway between the high plateau country and the low-lying jungles of the Amazon Basin. Tingo Maria serves as an outpost of civilization for Peru, for until recent times the lands lying to the east were practically unknown and unexplored.

## *New Highway of Vital Value*

Through Tingo Maria now passes a new highway. Peru hopes to tap its eastern agricultural and mineral empire by extending this highway into new regions to provide a practical and direct communication with Iquitos, the head of navigation for large steamers on the Amazon, and the vast territory to the east.

Commerce between Lima and Iquitos is now carried on by ocean steamer. Steamers sailing north from ports on the Pacific Ocean pass through the Panama Canal, sail around northern South America to the Atlantic Ocean, and thence 2,300 miles up the Amazon River to reach Iquitos. This voyage takes nearly a month, although the distance on a straight line between these two cities is only about 650 miles. Thus the highway will save time and expense and will be a vital contribution to the internal development of Peru.

Beyond Tingo Maria the new highway pushes through a gorge in the Blue Mountains and connects with the river port of Pucallpa on the Ucayali River. From here river steamers up to 3,000 tons sail to the Amazon. Steel for the completion of bridges on this essential highway is now assured as part of the new agreement between the United States and Peru. Behind the construction of this new highway, which is expected to provide an important transportation and communication link for Peru, is a fascinating background of the history and romance of the early Spanish explorers.

Courtesy : Pan American Union

**Plowing in valley of Huallaga River. The new projects promise to help modernize and stimulate agriculture in northeastern Peru.**

## *Romantic Early Exploration*

In the early days of the Spanish conquest and settlement, the Spanish friars penetrated remote regions of the Andes in what is now Ecuador, Peru, and Bolivia. The Franciscan Fathers were untiring in their efforts to convert the Peruvian Indians to the Christian faith. They left written records of their accomplishments and travels—of value to later historians and geographers.

As early as 1644, three Franciscans made a trip down the Huallaga River from their mission on the Tulamayo, a tributary stream. In the course of years the mission lanquished. In 1755 another Franciscan, Father Alonzo Abad, became concerned about the mission and set out from the village of Cuchero to discover, if possible, the lost Indian tribes in the Huallaga River Valley. He managed on two occasions to get through the Huallaga Valley and over the Cordillera Azul to the Pampas del Sacramento along the Ucayali River, and with much suffering and hardship made the return journey over the mountains by a somewhat different route. On the second trip he went down the Tulamayo River as in the first case, but came out of the Cordillera Azul at the Pampas del Sacramento at the mouth of a canyon that debouched from a 5,000-foot range.

Records of the adventures and accurate descriptions of the routes followed were left behind by these hardy travelers. In time this material was printed in 14 volumes entitled "Historia de las Misiones Franciscanas." In the second volume appeared the account of the wonderful adventures and explorations of Father Abad. These adventures remained unnoted in the records of the Franciscan Fathers for centuries. The story had been forgotten—or at least its significance was discounted and the existence of the canyon remained forgotten for nearly two centuries.

## *Problems of Past Decade*

Later when Peru's program of highway construction began to take shape it was decided to connect the capital city of Lima, near the Pacific coast, with the Ucayali River at a point where vessels of large size—at least 3,000 tons—could come and go in all seasons by way of the Amazon River. This was not altogether a new project. Previous efforts to drive a railroad into the same area had been made from time to time for two generations. However, opening this route was a major project of the greatest importance to Peru's economy. Peru had no better approach to the Ucayali River and the Amazon than the wholly inadequate ancient Inca trails—or the airplane. Up to that time no suitable pass for the highway had been found through the mountains between the Huallaga and Ucayali. It appeared as an unbroken range offering no way through to the east except a very difficult climb of about 8,500 feet over the Andes.

In 1933, with the rising tide of highway development, the Peruvian Government considered a road from Huanuco to the Ucayali River at the river port of Pucallpa. That year a Government engineer started a reconnaissance survey along the lines of the previous railroad surveys from Tingo Maria, to which a good road was almost completed.

The engineer profited by the apparent errors made by other explorers and kept a little to the north of the former railroad surveys in order to reach a tributary of the Aguaitia River. Much to his surprise he found a river behind the first range of mountains that, according to all previous information developed by the railroad surveys, was not supposed to exist there. The river had a large watershed area and many tributaries, and

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he could only account for it as the upper waters of the Aucayacu River, another tributary of the Huallaga River, which reached the stream some distance below Tingo Maria. He reasoned that if this was the case it was not a valley for him to follow, because it would take him back to where he came from. He therefore continued his survey along the cordillera. The lowest passes found on the eastward side at this time were 6,700 feet high, and on the westward side the passes were 8,300 feet high.

## *Old Discoveries Furnish Key*

The river that the engineer had encountered and reported had a large drainage area. It came further into the range even than the Tulumayo River and flowed toward the north. He reasoned that if it joined the Aucayacu it would convert that branch of the Huallaga into a larger stream than the Tulumayo. This aroused conjecture because no stream so large as was indicated entered the Huallaga River from the east. Someone recalled that the early missionaries had done a great deal of their traveling on the rivers and doubtless had left accounts of their river journeys. The old records were thereupon investigated.

Father Abad's journeys were disclosed and studied, and finally the Peruvian engineers decided to find out where the mysterious river led. If it cut through the Cordillera Azul to the eastward, it must indicate the presence of a low pass through the mountains. This might be the canyon which Father Abad had followed to the Pampas del Sacramento. A new survey was started.

In June 1937, an exploring party equipped with copies of Father Abad's records took up the hunt at the point indicated by the surveying engineer. They followed the stream, fighting their way through thick jungles for nearly 3 weeks—and were astounded to note that the river which had been following the western foothills of the Cordillera Azul made a sudden turn to the east, took on another branch from the west, and cut through the mountains. Being unable to enter the canyon because of high water, the party reconnoitered the region for several days in the mountain area above the river and established beyond a doubt the existence of a low pass. Later a new exploring party reached the canyon and made the trip through in 2½ days by using rafts, building log bridges, and using ropes to get downstream. At this point the river drops 3,700 feet in 15 miles.

## *Opening Great New Territory*

The gorge was named Canyon Peru, but, to the mind of many students, the name Boqueron of Father Abad is a better name, for it arouses all the connotation of the ancient and picturesque history of Peru from the long-ago days of the early explorations to the development of a modern nation alive to the needs of new communications to rich areas still virtually unknown that extend for thousands of square miles around the sources of the great Amazon River.

The discovery of this important pass is expected to save Peru millions of dollars and years of labor, and promises to open a vast region with great natural resources of minerals and timber. In effect the new highway and pass will create an east-to-west "Pacific Ocean-Amazon River-Atlantic Ocean Highway."

The search eastward from the Peruvian coast, over the sierras, and into the jungles of the montana region on the upper Amazon for an adequate highway route that will open a great new territory is one of those interesting interludes that occasionally lighten the hard, gruelling tasks of the engineer—and that hold also, for the trader, the alluring prospect of a noteworthy future expansion in business activities.

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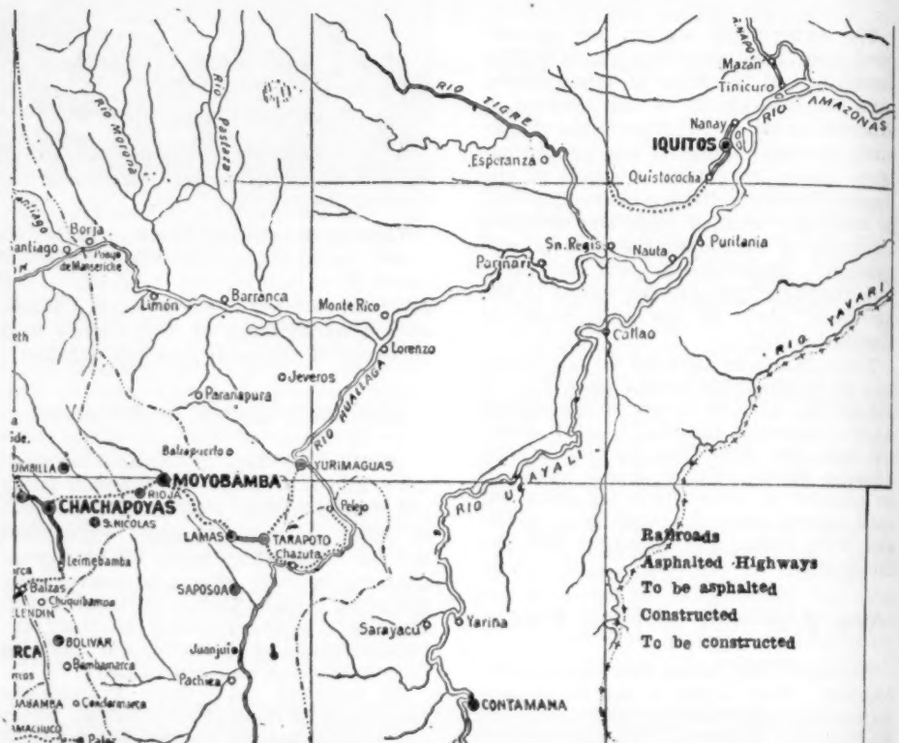
Colombia has exported increasing quantities of strategic materials to the United States during recent months. These materials, vital to our war effort, include manganese and mica.



# News by COUNTRIES

## Argentina

### *Tariffs and Trade Controls*

*Cotton Fiber and Yarn: Exports Subject to Permit.*—Exports of cotton fiber and cotton yarn now require export permits, according to an Executive decree dated June 10, and published in the Boletín Oficial of June 26, 1942.

*Edible Fats: Export Permit Not Required.*—The exportation of edible animal fats, compounds of the same, stearin, and vegetable oils called "shortening," no longer require a previous export permit, according to a decree dated June 15 published in the Boletín Oficial of July 6, 1942.

On May 27, 1942, all exports of tallow and animal fats were made subject to a previous export permit.

[See FOREIGN COMMERCE WEEKLY of July 4, 1942.]

*Jute, Burlap and Bags: Exportation Prohibited.*—Exportation and reexportation of burlap of jute, or (burlap) of whatever other fiber textile, as well as the containers made of these fibers, whether empty or full, new or used, has been prohibited by a decree dated June 5 and published in the Boletín Oficial of June 25, 1942.

The same decree, however, authorizes the Ministry of Agriculture, under special conditions, to supply bags for certain products to be exported.

*Oil Cakes Packed in Bags: Exportation Prohibited.*—The exportation of oil cakes in bags has been prohibited by a resolution of the Ministry of Agriculture dated June 30, and published in the Boletín Oficial of July 4, 1942. Provision was made, however, for issuance of prior permits for packing oil cakes in bags in shipments of less than 100 metric tons, whenever reasons of shipping convenience so demand.

*Paper Cuttings and Waste Newsprint: Previous Export Permit Required.*—Exportation of paper cuttings and waste newsprint require a previous export permit, according to a press release, dated June 26, 1942, of the Ministry of Agriculture. The release stated that because of the dangerous shortage of newsprint in the country, it was considered advisable to supplement with additional restrictions Decree No. 118431, dated April 24, 1942, which prohibits the exportation of newsprint.

*Rubber Goods: Exportation Permitted.*—Under specified conditions, the Ministry of Agriculture can issue export permits for rubber goods to those countries which permit crude rubber to be exported to Argentina, according to an Executive decree, dated April 22, and published in the Diario Oficial of June 9, 1942.

*Stupefying Alkaloids: Exportation Prohibited.*—The exportation of stupefying alkaloids (novocain, etc.) has been prohibited by a decree dated December 27, and published in the Boletin Oficial of May 2, 1942.

*Wheat, Linseed, and Corn in Bags: Exportation Prohibited.*—The exportation of wheat, linseed, and corn may be effected only in bulk, and permission to export these products in bags will be granted only in cases where reasons of shipping convenience so demand, according to a resolution of the Ministry of Agriculture, dated July 4, 1942.

## Belgian Congo

### *Tariffs and Trade Controls*

*Wild Rubber: Purchases Regulated in Certain Areas.*—In certain areas of the Belgian Congo in which the cultivation of cotton has been authorized by decree, the purchase of wild rubber is now permitted only to specified cotton enterprises, by the terms of legislative ordinance No. 115/Agri. of April 13, 1942, published in the Bulletin Administratif du Congo Belge of April 25, 1942, and effective from the date of publication. The Provincial governors will establish the prices to be paid by these enterprises.

This measure has been taken in order to secure the maximum possible rubber yield from the areas in question, without unfavorable effects on future cotton production.

### New War-Risk Rates

The War Shipping Administration announced on July 27 a new schedule of war-risk rates covering exports from the United States but excluding exports to the Territories and insular possessions of the United States. This schedule represents substantial increases in war-risk insurance rates over those hitherto prevailing.

At the same time, the War Shipping Administration announced that in accordance with the provisions of Section 221 (a) (2) Public Law 523, Seventy-Seventh Congress, the Administrator has determined as a temporary measure that it would be in the interest of the domestic economy of the United States to freeze war-risk insurance rates on cargoes at levels which had hitherto been named by the War Shipping Administration, on imports to the United States and on exports to the Territories and insular possessions of the United States. This action was taken following consultation with the Office of Price Administration.

## Canada

### *Wartime Commodity Controls*

*Certain Glassware: Imports Prohibited or Restricted.*—High thermo shock-resisting glass tableware (including refrigerator jars but not including stove or oven ware) has been added to the list of goods prohibited importation into Canada, and glass tableware not cut or otherwise decorated subsequent to manufacture (but not including stemware) has been added to the list of goods which may be imported on a diminishing scale under the War Exchange Conservation Act, 1940, by a ruling of the Commissioner of Customs, dated July 6, 1942, Ottawa.

The goods prohibited are designated as Item ex 326g, while those to be restricted fall under Item ex 326 (ii), both of which items should be added to schedule I, parts I and II, respectively, of the Canadian War Exchange Conservation Act, 1940.

### *Tariffs and Trade Controls*

*Goods Intended for Export Destroyed by Fire or Otherwise Prior to Clearing the Limits of Canada: Subject to Drawback.*—Revision of Canadian drawback regulations provide that draw-back shall be paid, for the duration of the war, for goods intended for export which have been destroyed by fire or otherwise irretrievably lost through accidental causes prior to clearing the limits of Canada, according to customs Memorandum W. M. No. 65, dated July 14, 1942.

### *Transport and Communication*

*Long Locomotive Run.*—The longest single locomotive run in eastern Canada, and one of the longest in the Dominion, has been inaugurated by the Canadian National Railways.

Through locomotive working has been established over the 841 miles between Montreal and Halifax. The locomotives used are of the Northern Type, "6100" class, built for fast passenger and freight work. They have a tractive effort of 57,000 pounds, and are counterbalanced for a speed of 85 miles per hour. They will haul 20 coaches or more than 100 cars.

Reportedly, only 14 locomotives will now be required for these services, against the 21 previously needed.

# Chile

## *Exchange and Finance*

*Exchange Situation.*—During June most of the banks had on hand small surpluses of "D. P." (31 pesos per dollar) exchange, indicating that the supply was greater than the demand by importers.

The Exchange Control Commission was understood to have authorized the sale of small amounts of "D. P." dollar exchange to persons wishing to use it to transfer profits which had accumulated prior to the first of the year.

The list of imports which may be paid for with 25-peso per dollar exchange was further reduced late in June when a company importing petroleum was required to make payment for 40 percent of the value with "D. P. dollars. According to the March 1 ruling, petroleum products were to be payable with export-draft dollars.

Allotments of exchange in June were lower than in May, but this was the consequence of the smaller demand for dollars to pay for imports.

# Colombia

## *Economic Conditions*

Business activities generally continued to decline during the second quarter of 1942, although this fact tended to be obscured by general preoccupation with the Presidential election of May 3. The pessimistic tone which was apparent during the first quarter of 1942, a natural consequence of world conditions, particularly shipping shortages and submarine activities in the Caribbean area, became more pronounced. Owing to decreased imports and other causes, Government revenues for 1942, and particularly for the second quarter, were greatly reduced. The income derived from customs revenues during the first 6 months of 1942 amounted to slightly more than half the amount anticipated in the budget.

Colombia is faced with certain unfavorable factors, such as the declining Government revenues, a wave of nonbuying, and the decline in building construction with accompanying unemployment.

### Automotive Market Sluggish

The automotive market, except for replacement parts, remained sluggish throughout the second quarter, and the demand for parts was limited to dire necessity. This condition is attributed to two factors, namely, increased prices of parts, and the public's fear that there will be further curtailment in the sale of tires. Tire sales under existing regulations are negligible, and it is reported that sales on the "bolsa negra" are few and at exceptionally high prices.

### Sales of Consumers' Goods Decline

The sale of consumers' goods to all income groups declined, principally because of increased prices, hoarding, and seasonal influences. In many instances price increases are justified by increased insurance and freight rates on imported goods, and the feeling that existing stocks cannot be readily replenished.

Increased prices of pharmaceutical preparations, cosmetics, etc., have given impetus to domestic manufacture, but many local industries are feeling the effect of shipping shortages in their inability to secure certain raw materials.

Department-store sales declined as a result of seasonal fluctuations, increased prices for imported goods, and the conservatism of all types of buyers.

The 5- and 10-cent stores continued to take a large share of lower-priced items; and, although some stocks cannot be replenished because of the lack of shipping, a certain amount of low-priced notions and similar goods reached Colombia during the period under review.

The demand for both heavy and light hardware continued normal, since several buildings, which were started some time ago are still in process of construction; however, stocks of both items are incomplete. Small hardware stores which in the past secured their stocks from the wholesale-retail importers are facing hardship, since the larger hardware stores have ceased to sell large quantities.

Retail sales of piece goods declined materially, although Colombian looms, except those for rayon manufacture, were busily engaged. This paradox arises from the fact that large dealers, having no other place for surplus capital, are purchasing large quantities of the domestic output against rising prices. American and British manufactures were scarce, despite the receipt of small quantities during the quarter, and the prices of imported piece goods increased over those prevailing during the first months of the year.

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### Agriculture

It is reported that cotton plantings in Tolima, which produces from 15 to 20 percent of all Colombian cotton, have increased 20 percent over 1941. It was thought at first that the yield would be greatly increased, but recent heavy rains have seriously affected the crop.

The corn harvest during the months under review was well above average, owing principally to more favorable rainfall, and the Government is said to be seriously exploring the possibility of exporting corn to Panama, Curaçao, and Venezuela. The wheat crop likewise benefited from the favorable rainfall, and it is now believed that the 1942 crop will exceed the 30 percent increase previously expected.

During the second quarter the sesame-seed crop showed increasing progress. The high-Government-fixed price, dwindling stocks of copra for vegetable lard manufacture, and favorable rainfall—the best in Colombia for 5 years—encouraged increased plantings and brightened the production outlook. Plantings have been initiated in several regions of the country where sesame heretofore has not been grown, and it is expected that the crop will reach an important stage in the near future.

The coffee production outlook in Colombia remained about the same, with the independent coffee dealer finding a source of anxiety in his ever-increasing profit margin.

Complete suspension of the banana export business was seen during the second quarter. In the Magdalena zone the ravages of "sigatoka" were sufficient to curb the activities of this important industry, although the loss of European markets and the shipping shortage would in any event probably have put an end to the business for the duration of the war. In the Acandi zone, which produces a small portion of the export crop, business was suspended early in 1942 because of lack of shipping space.

The potato crop is expected to be the largest in history—the Caldas region apparently leading the production increase. Government officials are hopeful that the surplus of production from this region can be exported to Panama.

Much interest was shown in increased production in fibers, owing primarily to the requirements of the United States and to the recent visit of a fiber commission from North America. It is expected that within 6 to 10 months "fique" fiber production will show important gains, and small commercial production of "pita" and "malba" fibers is expected for the first time, as a result of experimental orders received from the United States.

The cattle industry does not appear to be undergoing any major changes, although it seems to be increasing gradually. This belief is borne out by the fact that the Government has continued to permit exportation of cattle from the Sinu region to Panama, and at the close of this quarter signed and approved an agreement to export to that country 15,000 head of cattle on the hoof during the next 6 months.

### Mining

Increased interest in industrial mining was evident during the period under review. However, the cause that makes industrial mining in Colombia appear feasible also prevents its expansion—namely, the present world conflict, which makes it impossible for mining equipment to be secured. Important quantities of antimony and high-grade copper ore exist in Colombia, and the possibility of their exploitation seems promising.

Present reports indicated that Colombia sees great possibilities for the exportation of coal from the Cali and Valle areas to other South American countries. It is understood that negotiations have been going on with Argentina, and press releases indicate that an agreement may be worked out whereby Argentina will take 20,000 to 30,000 tons or more of high-grade coal monthly.

### Construction Being Curbed

Building construction, particularly residential, is being curbed despite the fact that a housing shortage exists in several population centers, and there has been a noticeable drop, both in number and value, of building permits issued. Several large buildings are under construction in Bogota, and no doubt will be carried to completion, as it is understood that sufficient building materials are available.

### Industry

The consumption of electrical energy was normal during the second quarter, indicating that industry was still in a high production stage, despite reports to the contrary.

Cement production continued to decline slightly because of the industry's inability to secure certain materials from the United States, plus, of course, decreased building activity. However, the possibility of exporting cement to Panama and certain islands in the Caribbean may bolster the industry.

Textile mills were fully engaged throughout the second quarter, but shortages of dyestuffs and certain chemicals became more acute. Ninety percent of the equipment needed for the steel mill is now in Medellin, and construction of the plant is under way. However, because of the present shortage of electrical power, and other reasons, it is doubtful when this plant will commence operations.

As for the proposed tire-retread plant, it appears that, in view of uncertain prevailing conditions, such a plant is not being considered for the present.

### Labor

There was a gradual, though not alarming, increase in unemployment, principally because of the shipping situation and the decline in building construction. The requisition by the United States Government of United Fruit boats calling at Santa Marta and the curtailed banana production displaced some labor, as did decreased river traffic on the Magdalena. Furthermore, several large organizations which were distributors for automobiles, farm implements, road equipment and the like, laid off some salesmen, bookkeepers, and others, and not all of these have secured reemployment.

During the period under review, a pending strike in the petroleum industry was averted. Other labor unrest has occurred in the utilities field, and on the Magdalena River.

### Credit and Collections

Credit was easy, in general, with slight tightening of consumer credits, partly owing to decreased employment, particularly in the building trade. Both wholesale and retail collections were good, and sufficient funds for all types of imports were available. Collections are expected to continue normal, but because of the uncertainty which seems to exist throughout the Republic, consumer credit may be further curtailed.

# Costa Rica

## *Exchange and Finance*

*Exchange Situation.*—The Exchange Control Board continues to grant exchange authorizations with a delay of 90 days for articles of prime necessity and 120 to 180, on the average, for articles not in this category.

*Government Finances.*—Government revenues for April totaled 3,470,000 colones, while expenditures were reported at 5,571,000 colones. Comparative figures for April 1941 were, respectively, 3,428,000 and 4,650,000 colones.

## *Tariffs and Trade Controls*

*Fishhooks: Import Duty Substantially Reduced.*—The import duty on large fishhooks, used especially for catching sharks and similar fish, has been reduced from 4 colones to 40 centimos per gross kilogram, by provisions of Costa Rican Presidential decree No. 17, published May 20, 1942, and effective June 1, 1942.

# Egypt

## *Tariffs and Trade Controls*

*Soap, Regulations Adopted for Marking.*—Regulations for manufacturing, packing, and marking soap were formulated in a Royal Decree issued June 22, 1942, published in the Journal Oficiel No. 116 of June 25, 1942.

The following classes of soap are distinguished: (1) Soap "Nabolsi" or pure olive-oil soap without addition of any

## Keen Comments on World-Economy Today

[Thirteenth in a series of excerpts from notable books and speeches]

### Present Role of the State in Japan's Industrial Structure

After the Meiji Government had developed its model industries to a sufficiently high point of technical efficiency, a large share of these enterprises was turned over to the favored financial interests at extremely low prices. The Japanese Government, however, has continued to the present day the policy of subsidizing and supervising the development of key industries, with the result that the interlocking of state and monopoly capital in those branches of industry related to national defense and the exploitation of colonial resources has remained a prominent characteristic of the Japanese industrial structure.

Today, the Government owns and operates the state railways, postal, telegraph, and telephone services; war industries owned by the army and navy, e. g., arsenals, dockyards, gunpowder and clothing factories; and state monopolies of tobacco, camphor, and salt. In addition, the Government exercises control, through part ownership and special rights of supervision, in a number of semiofficial companies which represent joint enterprises of the State and the large private capitalist interests.

Prior to the outbreak of the war with China, these semiofficial companies were chiefly concerned with banking, communications, and colonial development. Since then, a number of new semiofficial or "national policy" companies have been organized to promote production in certain strategic industries; to develop communication and raw-material resources in China; and to monopolize the generation and transmission of electricity and the sale of coal.

The Government also exercises considerable control over Japan's industrial economy through its various financial agencies. These include the 8 special Government banks, together with the 17 prefectural Banks of Agriculture and Industry and the Central Treasury of Agricultural Cooperatives. These institutions receive financial support from the State but are incorporated as private companies in which private capital is invested in considerable amounts. . . . Through them the Government is in a position to regulate the working of Japan's financial system.

*{From "Japan's Industrial Strength," by Kate L. Mitchell, prepared under the auspices of the International Secretariat, Institute of Pacific Relations. Publisher: Alfred A. Knopf, New York City.}*

kind of oils or greases; (2) soap "No. 1" containing at least 62 percent of greasy or resinous acids; (3) soap "No. 2" containing at least 50 percent of greasy or resinous acids; (4) soap "No. 3" containing at least 40 percent of greasy or resinous acids.

Both the soap and its packing should bear an indication of its class. The name "Nabolsi" should be followed by the name of the place where the soap is manufactured (unless manufactured in Nablus, Palestine), and the name of soaps of the other classes manufactured in the form of "Nabolsi" should be followed by the word "Baladi." None of the above soaps may be sold except on a weight basis.

Other kinds of soap cannot be sold or imported unless they are in cakes of 400, 250, or 150 grams. Every cake must be sealed and marked with its weight, and the outer package should likewise bear an indication of the number of cakes as well as the total weight.

These regulations do not apply to medicinal soaps in powder or liquid form, to potash, soft, mineral, or toilet soaps, provided the kind of soap is indicated on the product or on the package, and that the proportion of greasy or resinous acids in the toilet soaps is not less than 70 percent.

# El Salvador

## *Tariffs and Trade Controls*

*Minimum Tariff Duties Applied to Imports From France.*—The duties of the Salvadoran minimum tariff will hereafter be extended to goods imported from France, its protectorates, mandated territories, and colonies, according to a decree published on April 17, 1942, and effective 8 days later. This action was taken in view of the expiration on December 31, 1941, of the Franco-Salvadoran commercial treaty of 1901, under which specified French products were accorded conventional duty reductions in El Salvador.

Merchandise imported from France since January 1, 1942, will be accorded this customs treatment.

[For announcement of the expiration of the Franco-Salvadoran agreement see FOREIGN COMMERCE WEEKLY of February 21, 1942.]

# Finland

## *Transport and Communication*

*Measures to Relieve Railways.*—The railways in Finland are suffering from a deficiency of rolling stock and difficulties in the provision of coal—so the Government has taken special measures to relieve the railways' position by encouraging coastal and inland navigation, states the European press. Freight will be carried according to an urgency classification, and special arrangements are being made for transport of wood and agricultural products.

*Helsinki's Shipping.*—Helsinki harbor, which in peacetime was visited by about 8,000 ships ever year, has experienced a great decline in shipping. Only 1,703 vessels with a net tonnage of 461,500 called at the port in 1941. Imports and exports amounted to 500,000 and 186,000 tons, respectively, while in peacetime a yearly total of some 2,500,000 tons was cleared through the port.

Courtesy : Office of War Information

# France

## *Tariffs and Trade Controls*

*Certain Seeds Reserved for Sowing Only.*—The utilization of specified seeds for purposes other than sowing has been prohibited in France by law No. 4664 of November 5, and an order of November 10, 1941, published in the Journal Officiel and effective on November 12.

The list of seeds affected includes forage and sugar beets, winter and spring vetches, peas, lupines, beans, sainfoin, soybean, and fenugreek.

## *Transport and Communication*

*Paris Busses Withdrawn.*—All busses operating in Paris were withdrawn from service toward the end of May, states the British press, because of the acute shortage of gasoline and rubber. The exact number of vehicles that had been in operation is not known.

It is reported that some of the closed Metro subway stations were opened at the same time that the busses were withdrawn. The Metro remains the only public means of urban traffic now serving Paris.

# French Morocco

## *Tariffs and Trade Controls*

*Fresh Fruits and Vegetables: Crops to be Divided Between Exportation, Transformation or Preservation, and Consumption.*—Fresh fruits and vegetables produced in the French Zone of Morocco for commercial or industrial use are to be divided between exportation, the industry of transformation or preservation, and commerce for consumption within the country, effective February 1, 1942, by terms of a residential order of January 20, 1942, published in the Bulletin Officiel of January 23.

A certificate issued by the Group of Exporters of Vegetables and Early Fruits must accompany fruits and vegetables intended for exportation.

*Potatoes, Tomatoes, and Eggplants: Quarantine Restrictions on Imports Somewhat Relaxed.*—Quarantine restrictions on imports of potatoes, tomatoes, and eggplant have been relaxed somewhat in the French Zone of Morocco, by a vizirial order of December 31, 1941, published in the Bulletin Officiel of January 30, 1942.

During hostilities, such products may be imported in used sacks and without an inspection certificate in some cases.

# French West Indies

## *Exchange and Finance*

*Exchange Situation.*—The selling rate for drafts remained fixed at 44.10 francs to the dollar during the second quarter of 1942. Exchange for imports has been very restricted, and is becoming more so. Official control, however, insures that dollars are available immediately for all goods allowed by the local authorities to be imported. Naturally, those authorities permit only the most indispensable articles, mainly foodstuffs and materials for the sugar plantations.

# India

## *Wartime Commodity Controls*

*Rubber: Control of Distribution Established.*—The sale, transfer, manufac-

Ask Your Department of Commerce for Basic Market Research Data

Courtesy Office of War Information

ture, or other disposal of rubber in India was made subject to permit under a Rubber Control Order issued April 1, 1942. This order affects all rubber estates, dealers, and manufacturers in India.

The control operates through a Rubber Control Committee consisting of the Indian Rubber Licensing Committee, constituted under the Indian Rubber Control Act of 1934, and a member nominated by the Association of Rubber Manufacturers in India. This Committee, in conjunction with the Controller of Rubber Manufactures of the Supply Department of the Government of India, controls the purchase and distribution of raw rubber in the Indian market.

In order to purchase or otherwise acquire rubber, manufacturers must apply to the Controller of Rubber Manufactures, Directorate General of Supplies, who, if the application is approved, forwards it to the Rubber Control Committee, which in turn issues to such approved estate or dealer as it may determine, a permit to sell or transfer to the applicant the rubber applied for. A copy of this permit is transmitted to the prospective purchaser. A fee is charged the approved estate or dealer at the rate of 2 annas and 6 pies (about $0.05) for every 100 pounds, or part thereof, of rubber covered by the permit.

Stocks held or on order were also brought under control. Written authorization from the Controller of Rubber Manufactures is required for the manufacture, processing, sale, or other disposal of stocks of raw rubber held by manufacturers on April 1, 1942, as well as for the sale or other disposal of raw rubber purchased by them and in transit or awaiting delivery on that date.

The Rubber Control Committee receives consolidated indents of requirements of rubber from the Controller of Rubber Manufactures, allocating demands and issuing permits in accordance with these allocations to approved estates and dealers for the sale or transfer of rubber. In addition, it is required to maintain a register of the estates and dealers which it has approved and submit monthly reports to the Central Government covering: Permits granted, stocks of all grades of rubber held by each estate or dealer, and estimates of all grades of rubber expected to be available for distribution in the 3 months following their report.

## South Africa Cuts Rail Service

The express service of the famous Blue Train operating between Capetown and Johannesburg in South Africa has been canceled, and other express services have been curtailed, states the British press.

The Minister of Railways has appealed for the elimination of unnecessary rail travel. Every engine is to pull a maximum load in the future. Express trains and slow trains will be amalgamated to perform general services, and "no unnecessary comforts will be provided."

*Sugar: Control Established on Sale and Distribution.*—A Sugar Control Order was issued by the Government of India on April 14, 1942.

Under this order, which extends to all British India, no producer may, after April 30, 1942, dispose of, agree to dispose of, or in pursuance of any agreement entered into on or before April 30, make delivery of any sugar except to a recognized dealer or a person especially authorized by the Controller to acquire sugar on behalf of the Central Government or of a Provincial government.

The Sugar Controller is authorized to fix sale prices, ex factory, for sugars made in India; to allot quotas for the requirements of any specified Province or other area, or of any specified market; and to order any producer or producers to supply sugars to such areas or markets in such quantities, at such times, and in such manner as may be specified in the orders.

Producers are required, notwithstanding any existing agreement with any other person, to give priority to and comply with orders issued to them by the Sugar Controller in relation to supplying sugar to designated areas and markets.

### *Tariffs and Trade Controls*

*Cotton Piece Goods and Yarn: Export Restrictions Further Tightened.*—Exports of cotton piece goods and yarn, subject to export license in India for some time, have since April 1, 1942, been restricted by Government order to annual average shipments during the period 1936–39. As an exception to the new regulation, all quantities covered by firm contracts entered into prior to April 1 were licensed for export. This restriction was imposed as a result of the greatly increased number of applications for export licenses which threatened to seriously reduce the quantity of cloth available for increasing Indian demands.

Effective July 1, 1942, a further measure was taken to regulate exports of cotton piece goods on the basis of a general quota scheme calculated to maintain exports at the highest possible level consistent with the conservation of domestic supplies. Exporters are required to apply for licenses as soon as they have entered into contracts, subject to freight and license, and before they have entered into commitments within India against such contracts. This requirement is designed to enable shippers to obtain licenses before undertaking the manufacture or purchase of goods for export.

*Barks for Tanning Exempted from Import Duty.*—Barks for tanning, formerly dutiable at 3 percent ad valorem, have been exempted from import duty in India by a Government notification of April 4, 1942.

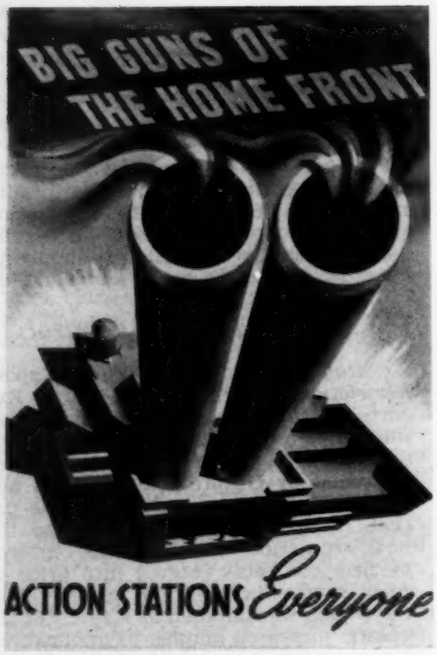
*Certain Machinery and Parts Exempted From Emergency Import Surtax.*—A wide range of machinery and parts thereof, machine belting, and electrical transmission line materials have been exempted from the emergency surtax of one-fifth imposed on customs import duties in India under the Indian Finance Act of 1942.

[For announcement of emergency customs import surtax see FOREIGN COMMERCE WEEKLY of July 25, 1942.]

# Iraq

### *Tariffs and Trade Controls*

*Near East Economic Conference.*—The Baghdad Chamber of Commerce has proposed, and the Iraq Ministry of Economics has approved in principle, the calling of an economic conference of Near East countries to discuss and implement methods of closer economic and trade collabo-




Courtesy Office of War Information

ration. Under the proposal, invitations will be issued to Syria, Lebanese Republic, Palestine, Transjordan, Egypt, Saudi Arabia, Yemen, Turkey, and Iran, and the conference will seek to facilitate exchange of surplus commodities and to lay a foundation for a post-war economic bloc with lower tariffs and freer exchange of goods.

# Ireland (Eire)

## *Transport and Communication*

*Motor-Vehicle Speeds Restricted.*—The speed of such motor vehicles as are still permited to use the roads of Eire is to be restricted in order to prevent excessive wear and tear of tires caused by high speeds, states the British press.

All vehicles of less than 2 tons, including motorcycles, are not to exceed 30 miles per hour; busses and vehicles of over 2 tons are to be restricted to 25 miles per hour; and for double-decker busses the limit is 20 miles per hour.

# Italy

## *Transport and Communication*

*Traffic Agreement.*—A railway traffic agreement concluded between Italy, France, and Switzerland, on the one hand, and the Nazi-dominated regimes of Serbia, Croatia, Greece, and Bulgaria, on the other, came into force on May 1, states the British press.

All railway traffic, both passenger and freight, between these two groups of countries is to be concentrated on the Trieste transit route. Through passenger fares and freight rates will be applied as soon as possible.

# Mexico

## *Transport and Communication*

*New Air Line for Mexico?*—A small air-transportation company, Transportes Aereos de Tampico, having its headquarters in Tampico, is considering the establishing of a new line from Tampico to Ciudad Victoria, Tamaulipas, and to Monterrey, Nuevo Leon.

For the past 3 years the company has been operating a passenger and commercial service with three planes between Tampico and Huejutla, Hidalgo, with stops at three points in the State of Veracruz. It maintains its own airport near Tampico. Reportedly the line has had no accidents.

The company also is understood to be considering the establishment of a school for pilot training.

# Netherlands West Indies

## *Exchange and Finance*

*Exchange Available for Imports From United States.*—Exchange in unlimited amount is available for imports from the United States. No delays are experienced on remittances for imports resulting from exchange difficulties.

The sale of exchange for purposes other than imports is severely restricted, and each application to buy exchange for other purposes must go before the financial commission here for approval. Each case is decided on its merits.

On existing insurance policies, where premiums are to be paid in dollars, the necessary dollars will be made available, but after April 28, 1942, all policies must be written in florins and no premiums on new policies may be paid in dollars. These may be paid, however, in either florins or pounds sterling. The proceeds of any maturing dollar policies must be turned over to a local bank, under Government control, for exchange in florins.

Dollar exchange for business travel or on account of illness is granted only after the absolute necessity therefor is clearly shown. Dollars are now unobtainable for vacation travel.

# Newfoundland

## *Transport and Communication*

*Railway Situation.*—The Newfoundland Railway is operating at a record level, but existing facilities are unable to provide for all the available passengers and freight.

For the first 3 weeks in May, car loadings reached a peak of 3,145 compared with 1,817 for the same period in 1941 and 1,063 in 1940.

*Port Conditions.*—A congestion of goods and ships exists today in Newfoundland ports. Special attention is now being given to the prompt discharge and loading of ships. This is accomplished by a register of all shipping to and from Newfoundland ports, kinds of cargoes and freight, as well as a register of all auxiliary vessels over 80 tons.

Arrangements have been made for securing more ships, and shipping companies will be required to load all ships under Newfoundland control in accordance with a commodity priority system recently established.

# Palestine

## *Exchange and Finance*

*War Loan Bonds and Certificates.*—Rules governing the issue of Defense Bonds and Savings Certificates were announced in the Palestine Gazette, June 11, 1942. Defense Bonds will be issued in multiples of £P5 up to a maximum holding of £P1,000 repayable in 7 years at 101 and bearing interest at 3 percent payable seminnually. Bonds may be cashed prior to maturity. Savings Certificates will be issued on a discount basis and in units of 750 mils. They will mature in 10 years but may be cashed after the first year. Interest of 12 mils will accrue at the end of the first year. Thereafter interest will accrue at 2 mils per month, with a bonus of 17 mils at the end of the fifth year, and a bonus of 30 mils at maturity, at the end of the tenth year, making final value £P1.025. The measure is expected to absorb some of the excess purchasing power arising from the shutting off of imports and large expenditures of British military forces, and thus to aid in controlling inflation.

# Panama

## *Tariffs and Trade Controls*

*Potatoes: Duty Restored.*—Panama has restored the import duty of 10 cents per gross kilogram on Irish potatoes by decree No. 206 of May 12, 1942, effective 30 days after publication in the Official Gazette on June 1, 1942. This action

repeals decree No. 117 of November 17, 1941, which reduced the former duty on potatoes from 10 cents to 2 cents per kilogram.

It is further specified that the Banco Agro-Pecuario will control the importation of this product without, however, restricting the right of merchants to import potatoes subject to the payment of the duty.

# St. Pierre and Miquelon

## *Tariffs and Trade Controls*

*Revised Import and Export Restrictions and Exchange Control.*—Permits from the Service of Supplies and Exchange Control are now required in St. Pierre and Miquelon for the importation or exportation of any product, by a General Instruction on Exchange and Exchange Control of March 26, 1942, published in the Journal Officiel of that colony of March 15 and 31.

For imports, such permits must be obtained before the goods are ordered and will be issued in proportion to previous imports. Payment is to be made upon presentation of the import permit and within the limits of available credits.

For exports, permits are granted only for products which are not indispensable for supplying the colony, and on condition that the exporter agrees to turn over the foreign exchange received.

[Special import licenses have been required since June 30, 1940, for all imports except bread, bread flour, sugar, fresh and canned milk, butter, meat, potatoes, cabbage, carrots, onions, dried vegetables, rice, tea, coffee, coal, and soap. See COMMERCE REPORTS of September 14, 1940. French exchange control requirements have been in effect in all French colonies.]

*Import Permits Limited to Specified Proportions of Previous Imports.*—Import permits are to be issued in St. Pierre and Miquelon in specified proportions of each merchant's imports during the preceding year, by an instruction relative to the importation of foreign products, dated and effective April 30, 1942, and published in the Journal Officiel of that colony of May 15 and 30.

Importation of luxury articles is prohibited in principle, but may be permitted if the importer provides the necessary foreign exchange to pay for them.

The following proportions in quantity and quality, of a merchant's imports during the preceding year of the products specified may be permitted:

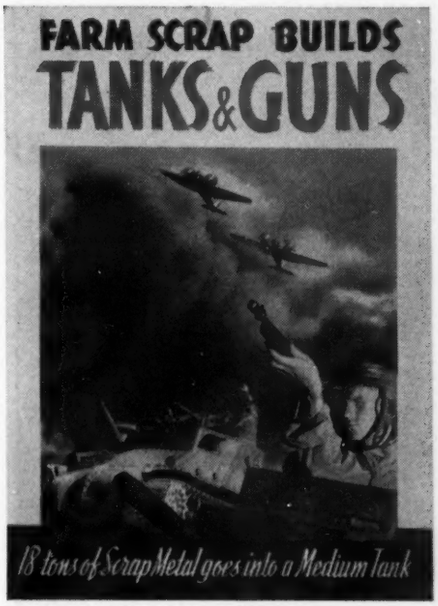
(1) In equal amount: Necessary foodstuffs, clothing of average quality (except certain hats, ready-made clothes, shoes, and gloves); materials for navigation and sail-making; and other materials, and articles of first necessity and average quality;

(2) 75 percent: Ready-made clothing, specified shoes, hats, leather gloves, and all made-up articles of which stocks in different sizes must be kept;

(3) 50 percent: Aperitive wines, beer, pickles and condiments, watches and clocks, photographic materials (except cameras), oilcloths and linoleums, wallpaper, paints (other than marine), and dyes; and all food and other products not of first necessity.

Imports of the following are to be considered and permitted on special application only: Coal; kerosene, gasoline, fuel oils, and residues; paraffin and petroleum jelly; manufactured furniture; bakery accessories; all articles subject in foreign countries to special export regulations; and all articles of noncurrent use.

Imports are prohibited of doors, window frames, dories, and all manufactured articles the importation of which might cause local unemployment in handicraftsmanship.




Courtesy Office of War Information

# Sweden

## *Transport and Communication*

*New Ropeway With Record Capacity.*—A new ropeway 26 miles long and having what is believed to be the highest capacity in the world is operating in Sweden, say European press reports.

It was built for the Skanska Cementaktiebolaget to transport limestone to the cement factory at Koping. It has a carrying capacity of 4,000 ton-kilometers per hour.

Rail, road, and water transport were found to be surpassed in economy of operation by the ropeway alternative. Rail was too costly; a canal involved a yearly 4-months suspension owing to ice; road transport involved small capital outlay on trucks but large personnel costs.

The ropeway works on a system whereby the cars load and unload automatically, and it is divided into four sections—each about 6 miles long and having its own traction rope and electric driving machinery. The greatest span is 590 yards.

Two motors are placed at the middle station of the line and one at each end station. All the motors, totaling 540 horsepower, are connected so that they can be started simultaneously. The whole ropeway can be stopped not only from the driving stations but also from controls out on the line. Altogether 6,200 ball and roller bearings have been used.

The ropeway cost about £235,000 but results, it is claimed, in an annual saving of more than £59,000 for 10 years—and perhaps more after that.

# Switzerland

## *Tariffs and Trade Controls*

*Industrial Diamonds: Import Duty Removed.*—The duty on industrial diamonds imported into Switzerland (formerly 60 francs per 100 kilograms) has been removed, effective from June 5, 1942, by a decree of May 28 of the Federal Council, published in the Recueil des Lois Fédérales No. 28 of June 4, 1942.

## *Transport and Communication*

*Railways' 10-Year Plan.*—The Board of the Swiss Federal Railways has worked out a 10-year plan, involving an expenditure of 760,000,000 Swiss francs ($176,320,000), according to reports in the European press.

The plan provides for double-tracking wherever necessary, enlargement of certain stations, strengthening a number of bridges, elimination of level crossings, and completion of the electrification of the railway system.

# Tunisia

## *Tariffs and Trade Controls*

*Paper, Inks, Pencils, and Crayons: Special Tax Imposed.*—A special tax of 1 percent ad valorem has been established on paper and cardboard, inks, pencils, and crayons imported into Tunisia, or manufactured there, for the benefit of the Paper and Allied Trade Committees, by an order of January 26, 1942, published in the Journal Officiel Tunisien of January 31.

*Edible Snails: Export License Tax Fixed.*—The amount of the Tunisian special export license tax has been fixed on edible snails exported to any destination at 100 francs per 100 net kilograms, effective January 15, 1942, by an order of January 14, 1942, published in the Journal Officiel Tunisien of January 31.

*Articles of Precious Metals: Methods of Assaying and Hallmarking Revised.*—Regulations concerning the methods of assaying and hallmarking articles of platinum, gold, and silver in Tunisia have been revised by orders of January 10, 1942, published in the Journal Officiel Tunisien of January 22.

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# Turkey

## *Tariffs and Trade Controls*

***New Compensation and Payments Agreement With Bulgaria Effective.***—A new commercial and payments agreement between Turkey and Bulgaria, providing for the exchange of goods on the basis of private compensation was signed at Ankara on March 27, 1942, and became effective on April 15, 1942, according to "Trade News," Ankara, May 4.

By terms of the commercial agreement, each private compensation transaction is to be subject to prior permission of the competent authorities of the two countries.

The exchanges of commodities are to take place in accordance with lists of Turkish and Bulgarian goods available for private compensation transactions, in view of the fact that each country restricts the exportation of a considerable number of products. These lists are divided into two groups, and Turkish goods specified in each group must be exchanged for Bulgarian goods specified in the same group. Commodities not listed may be exchanged if prior permission is obtained from the competent authorities.

Provision is also made for the delivery of Turkish raw cotton to the Union of the Bulgarian Cotton Industry, to be manufactured into cotton thread and fabrics for reexportation to Turkey. The first lot of raw cotton to be sent to Bulgaria was to amount to 500 metric tons.

In addition to regulating the methods of payment for the goods exchanged, the payments protocol provides that, if the funds in the payments accounts exceed £T35,000, the surplus may be used to purchase Turkish or Bulgarian products specified in a list attached to the protocol.

This agreement is to remain in effect for 1 year from April 15, 1942, replacing the previous commercial agreement of May 27, 1935. If not denounced 2 months prior to its termination, it is to be prolonged automatically until 2 months after denunciation by either party. The provisions of the commercial treaty of May 27, 1930, are not affected by the new agreement.

[The conclusion of the agreement of May 27, 1935, was announced in COMMERCE REPORTS of August 3, 1935.]

# Uruguay

## *Tariffs and Trade Controls*

***Automobiles: Regulations Governing Temporary Free Admission Revised.***—Automobiles entering Uruguay from other countries may be granted temporary free admission for a period of 6 months within each 12-month period, according to a decree of July 3, 1942, published in the Diario Oficial of July 14. On automobiles remaining in the country after the 6 months have elapsed, the regular customs duties must be paid, plus 6 percent for the establishment of the appraised value. The new decree annuls those of January 23, 1929, November 20, 1937, and June 15, 1938, concerning the temporary admission of automobiles into Uruguay.

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## Priority Ratings on "Good-Neighbor" Exports

Ship operators are being advised by the Office of Defense Transportation that, on and after August 15, shipments intended for Latin America, weighing 2,240 pounds or more, must be on the approved cargo lists prepared by the War Shipping Administration. Shipments under this figure, covered by a valid export license, may be booked by steamship operators within rigid restrictions as to the aggregate amount per ship, based on Board of Economic Warfare priority ratings.

Exporters of shipments aggregating more than 1 long ton will be required to file, with the Board of Economic Warfare's Office of Export Control, five copies of a prescribed application for commercial freight space in vessels departing on or after August 15. Applications will be considered only when goods are ready to move from factory or warehouse within 3 weeks after the application has been submitted.

# Yugoslavia

## *Transport and Communication*

***Croats Planning to Develop Waterways?***—The Nazi-dominated Croatian "government" is said to have devised a scheme for the development of new waterways. Reportedly, one of the canals to be built would connect the Danube with the River Drava. It would branch off from the Danube at Vukovar 104 miles to the west of Belgrade or somewhat to the south of the confluence of the Drava with the Danube, and run via Vinkovci to join the River Sava at Slavonski Samac, 35 miles to the east of Slavonski Brod.

The length of the canal as thus allegedly projected would be 37 miles, its width at the bottom 131 feet, and the normal depth of the water would be 9 feet 10 inches. The two projected termini, Vukovar and Slavonski Samac, are 295 miles from one another by existing water connection, and it is the appreciable shortening of that distance which has reportedly caused the consideration of the canal, the cost of which would amount of 500,000,000 kuna (about $10,000,000).

## India's Cashew Industry

(Continued from p. 7)

the number of standard whole pieces per pound. What we know as jumbo size come 200 to 210 pieces to a pound. The smallest, driest, least desirable nuts are packed 400 to 450 to the pound. Grading is done principally for export and is not necessary for the negligible domestic consumption.

Grades are classed by the high number of kernels in various count—210 count signifies a range of 200 to 210 nuts, 240 designates the group with 230 to 240, 300 to 320 is known as 320 count. Two other whole counts, 400 to 450, include 350 to 400, and 400 to 450 kernels, respectively. Four subcounts are wholes, halves, butts, and splits. Sometimes nuts are sold as dessert or scorched wholes, splits, and butts, and as large and small pieces, dessert and scorched. No known trademarks exist, however, except for initialing of cans consigned abroad by exporting firms.

When skinning and grading are finished, the kernels are placed on trays and racked in a cool room to be moistened. This cooling or sweating prevents splitting or breakage while on long voyages, sometimes extending half-way around the world.

### *Packing in Air-Tight Tins*

Packing for export is the final factory function, the moistened kernels being inserted into tins of 4 Imperial gallons, which hold 25 pounds of nuts. Air is removed from the tins, which are then vacuum-sealed with solder. Some factories fill the cans with carbon-dioxide gas to preserve the kernels from infection while in shipment or in storage. Ordinarily the tins are tightly squeezed into a wooden case to prevent them from shifting around while on a long ocean voyage.

Curing, roasting, grading, and packing costs are almost uniform throughout India. Roasting is the most variable expense item. The average cost of processing in Madras, however, is about 3 rupees per "candy" (700 pounds) for all the steps after buying the raw nut to the packed delicacy as we know it.

### *Disparity Explained*

A disparity between the large raw-nut production tonnage and the size of exports is explained by the fact that only 25 to 30 percent in volume of cashews produce edible kernels, and that in peeling even these are reduced another 10 percent in bulk. Despite the handling, there is only an ordinary amount of breakage, the proportion of brokens to wholes being about 10 to 90, and payment of the factory women is based on the number of whole kernels which they can process.

Workmanship in the factories, however, is not always perfect, and some 10 to 15 percent of the finished output becomes unfit for the export trade and must be consumed locally. Mention was made previously about shelling cashews while raw, and before roasting. This refers to the removal of uncooked kernels, largely undertaken at Panruti. These unroasted kernels enter into the domestic trade, because some Indian consumers will eat nothing but raw food.

## *Local Consumption*

The local Indian use of cashew kernels is small, except in production centers and seasons. In Madras Presidency, the leading Indian growing and processing district, the per-capita consumption averages only 1½ ounces annually, and most of these nuts are eaten at places of pilgrimage, railway stations, or hotels. Hawkers and some confection dealers sell cashews in the towns, but vast numbers of the native peoples seldom, if ever, buy them.

## *India Imports Cashews*

Portuguese East African cashew production is high in amount but somewhat lower in quality than the Indian product, the nuts are smaller and dryer and therefore more liable to breakage in working and shipping. Prior to 1928 the imports from Africa were negligible, but in that year 500 long tons were shipped to India. By 1935 these imports had increased to 23,000 long tons, and for the last couple of years shipments into India have been around 30,000 tons, annually. South Africa, too, exports raw cashews to India, but the total amounts to just about a quarter of the shipments from the Portuguese possession.

In all, India imports about three-fifths as many cashews as it grows, yet there is little regularity to many of these shipments. Since little labor is available in Africa for processing the raw nuts, all but a small portion of the production is sent to India, where export demand for kernels greatly exceeds the supply.

## *Cashew Exports*

Exports from the State of Travancore go abroad by way of Cochin port in Madras, the 5,000 long tons of kernels shipped annually being valued at upward of 5,000,000 rupees. Cochin, chief port of export of cashew kernels, accounts for nearly two-thirds of the total exports of the Madras Presidency. Mangalore, second in importance, exports 32 percent of the trade. Other exporting cities, in the order of their activity, are Calicut, Cocanada, Madras (city), and Negapatam.

The United States' position in the trade is well illustrated by export figures of the Government of India which show that for the year April 1, 1938, to March 31, 1939, that country shipped to the United States 11,049 long tons of cashew kernels, valued at $3,868,735. Exports of the commodity to the entire world that year were

Courtesy Office of War Information

13,449 long tons, worth $4,644,361. Thus, the United States accounted for 84 percent of the volume of shipments and 86 percent of the value. The United Kingdom, France, Canada, the Netherlands, and Belgium, in that order, were the next best customers, buying practically all the remaining 16 percent of India's shipments.

Exports of cashews to United States ports usually reach a peak in August and September, when distributors stock up for the holiday and winter trade. Imports are low in February, just before consumption declines rapidly and supplies have to be cut to minimum levels. The shelled nuts are perishable and, unless kept in sealed containers, deteriorate in flavor, become dry and brittle, and break into pieces.

## *Prices Drop as Exports Rise*

Prices of cashews have declined through the years—the earliest volume shipment in 1925 was contracted at 190 shillings a hundredweight (112 pounds), by 1929 the price had dropped to 150 shillings, although meanwhile exports had increased tremendously. A 5-year period of stability followed 1929—which provides a curious contrast to the general course of commodity prices in those years. It was only in 1932 that prices slipped to 70 shillings, and immediately they recovered.

Some further declines occurred, and in 1935 cashews eased to 102 shillings, then slid further, to 90 in 1936 and 82 in 1937. Thus it seems the price trend since 1935 has been downward, but consumption has followed an opposite path, and until the start of war the United States was able to import ever-increasing supplies. Swings in prices have not been pronounced in the light of the 10-fold increase of production by India from 1925 to 1939, the 5,000 long tons of raw nuts of the former year having climbed to 50,000 long tons in the latter.

## *Consumption on Upgrade*

While our consumption of the cashew has been mounting, there has been but little change in the domestic use of the kernel. Almost no urging was needed to get the citizens of the Western World to buy more and more cashews. Some Indian factors, however, believe that a promotion drive for further popularization would be a beneficial step. The majority are not so inclined, and promotion may have to await further growth or industrialization of the industry.

The expansion of the cashew trade from an entirely hand industry to a streamlined process, though rather slow to be accomplished, would be no more remarkable than the general trend of consumption. Some surprising changes have occurred. In Mangalore, the principal processing center in Madras, six factories handle 20,000 long tons of raw nuts annually, compared with 12,000 tons processed by 42 other factories of that Presidency. Of six Mangalore factories, only three are equipped with modern roasters and apparatus. In Vetapalem, 10 factories process only 1,500 long tons of nuts each year.

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### COMMERCIAL AGREEMENT WITH U. S. S. R. CONTINUED IN FORCE

(Department of State press release No. 392, of July 31, 1942)

The commercial agreement between the United States of America and the Union of Soviet Socialist Republics, which was proclaimed on and became effective on August 6, 1937, and which was renewed for successive periods of one year on August 5, 1938, August 2, 1939, August 6, 1940, and August 2, 1941, was continued in force by an exchange of identic notes at Washington on July 31, 1942, between the Secretary of State of the United States of America, Mr. Cordell Hull, and the Ambassador of the Union of Soviet Socialist Republics, Mr. Maxim Litvinoff. The notes provide that the agreement shall remain in force until August 6, 1943, and thereafter, unless superseded by a more comprehensive commercial agreement, subject to termination on 6 months' written notice by either Government.

Although it is expected that in the coming year the character and amount of United States trade with the Soviet Union will be governed largely by the military requirements of the United States and of the Soviet Union and other countries struggling against the forces of armed aggression, rather than by the usual commercial considerations, the exchange of notes will ensure the continuance during the emergency period of our established commercial relations with the Soviet Union on the basis of the 1937 commercial agreement.

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# *News by* COMMODITIES

## Automotive Products

### War's Effect on Number of Australia's Motor Vehicles

Of the 585,888 motorcars registered in Australia on December 31, 1940, at least 72,000 were delicensed and put out of commission by the end of 1941, according to the Australian press.

War conditions and, to a slight degree, obsolescence were responsible for one car in every eight of those registered in Australia at the end of 1940 being taken out of service by December 31, 1941. That loss was partially made up by 12,000 new cars being sold in the Commonwealth during the past year.

The falling off in registrations of commercial motor vehicles throughout the Commonwealth during 1941 was less, as only 7,524 trucks and vans were delicensed. Actually, the net loss was 2,659 units, as 5,865 new commercial vehicles were bought and put into service.

The adverse effect of the war on the sales of new automobiles in Australia during 1941 is reflected in the fact that less than 18,000 new cars and commercial vehicles were sold, as compared with 70,043 in 1939, and 79,280 in 1938.

### Canada Tests Wooden Tire

A wooden tire, designed and manufactured in Edmonton, Alberta, Canada, is being tested by a cabinet manufacturing company, states the British press.

The same size and shape as the rubber tire it would replace, it is constructed of Alberta-grown birch and is composed of 32 separate wooden blocks held together by 2 circular iron bands.

It has been constructed in the hope of finding a substitute for rubber tires on milk wagons and similar vehicles. The wooden tire is somewhat heavier and more costly than a normal tire.

### Producer-Gas Progress

Speculation about the post-war place of the producer-gas vehicle elicits optimistic forecasts from the European press, which predicts that gas-producer units for cars and trucks will prove of some importance in the future.

It is recognized that wood has difficulty competing with gasoline in peacetime in many countries, but it is thought that if enough wood can be secured, the use of producer units will increase. Trucks used in forestry work and by farmers who can obtain cheap wood probably will be equipped with these units.

Transportation of hay and straw by producer-gas trucks has recently been authorized in Denmark. Certain precautions against fire must be taken.

It is reported that seaweed, pressed into briquets of 6 pounds each, is being used by producer plants on vehicles in Copenhagen.

## Chemicals

### Byproducts From Brazil's New Steel Plant

Large quantities of chemical byproducts are expected to be recovered annually at the steel plant being constructed at Volta Redonda, Brazil, according to the British press. When the plant is in full operation, probably by the end of 1943, it is estimated that the following will be available annually: Tar, 15,200,000 liters; pure benzol, 3,880,000 liters; pure toluol, 896,000 liters; solvent naphtha, 93,000 liters; sulfate of ammonia, 5,200 tons.

### Brazil's Chemical Imports

Brazil's imports of chemicals in 1941, according to British press reports, included 35,000 metric tons of caustic soda and 21,000 tons of soda ash, having a total value of 69,000 contos (approximately $3,450,000). In addition, lead arsenate, white zinc sulfide, potassium chlorate, potassium chromate, copper sulfate, sodium cyanide, tannic acid, and formic acid were imported in unspecified amounts.

A British mission is now reportedly studying the possibility of establishing a large-scale caustic soda industry in Brazil.

### Sodium Products in Canada

Canada's production of natural sodium sulfate in 1941 totaled 115,601 tons, compared with 94,260 tons in 1940, according to the press. The entire amount was obtained from deposits in Saskatchewan.

Salt output in 1941 reached 560,827 tons and was valued at $3,008,281, a material increase over 1940's total of 464,714 tons valued at $2,823,269. Approximately 46 percent of the 1941 output was used in the production of heavy chemicals.

### Back to the Birds

Primitive methods of plant protection are being recommended in German-occupied Estonia, according to the European press. As fruit trees suffered greatly from the severe cold last winter and many were destroyed, the erecting and reconditioning of birdhouses has been recommended to attract birds which are needed to help fight insect pests.

### *Canadian Insecticides and Disinfectants*

The total value of insecticides manufactured by Canadian industries in 1940 was $1,242,631, according to trade reports, compared with $1,273,567 in 1939. Lime-sulfur solution, lead and calcium arsenates, Paris green, agricultural sprays, and household insecticides were among the leading types.

Insecticides comprised the major product of 22 establishments which did a gross business of $1,093,095. Of this amount, $969,685 was for insecticides and $123,410 for miscellaneous commodities, such as disinfectants and weed killers.

The 1940 production of nine plants, whose main product was disinfectants, was valued at $265,643, an increase over 1939 output of $232,149. The 1940 figure includes $212,385 for disinfectants and deodorants and $53,260 for other commodities. The value of all disinfectants and deodorants manufactured by Canadian industries in 1940 was $642,302.

### New German Enterprise

A new company, Faser-Chemie G. m. b. H., has been organized in Berlin, according to the British press, for the "purchase and development of chemical and technological processes for the production of cellulose and paper." It is believed that one of the company's first acts will be to take over the German rights of various Scandanavian patents for use in the German cellulose industry.

### Advancement Achieved in Sweden

Swedish chemical industries have shown marked advancement since the beginning of the war, according to press reports of a survey made by the Swedish Industrial Commission.

As the war has progressed and it has become more and more difficult to import chemical raw materials, domestic industries have done much to supply the country's needs by increasing their normal production and by entering new fields.

Production of sodium sulfate, nitric acid, and hydrochloric acid has been increased, and the output of sulfuric acid is now sufficient for all domestic requirements. Various electro-chemical products are also being made available in larger quantities as are chlorine and organic chlorine derivatives. The cellulose industry's present emphasis on synthetic fibers rather than wood pulp for newsprint, has been responsible for changes in chemical production.

Among the products formerly imported but now obtainable from local factories are zinc salts, chromic acid, chromium compounds, potassium permanganate, and certain phosphates.

# Coal, Coke, and Peat

### Canadian Coal Mine Closed

The last ton of coal was hoisted during May from the Dominion Coal Co.'s No. 10 Colliery, Reserve, Nova Scotia, and the mine has been closed down.

A producer for the last 36 years, the vein has gradually petered out, and during the first months of 1942 became unprofitable. More than 1,000 workmen were once employed in the colliery.

A replacement mine has been opened a few miles from No. 10.

### Alberta's Coal Output Mounts

Coal production for the Province of Alberta, Canada, during 1941 increased by 764,976 tons over 1940 production, according to figures released by the Province. Production for the entire year stands at 6,970,000 tons.

Shipments to Ontario increased more than 100,000 tons over those for 1940, such shipments amounting to 235,606 tons.

Shipments to Manitoba during 1941 totaled 430,663 tons, almost 80,000 tons more than the 354,857 tons shipped to Manitoba during 1940.

### General Figures for Dominion of Canada

Complete statistics for Canada's coal and coke output, together with imports for March 1942, show that both output and imports are up somewhat higher than similar figures for February 1942 and for March of the preceding year.

Figures for coal production show that 1,600,269 tons were mined during March, compared to 1,546,530 tons in March 1940. The output brings the 5-year average for March to 1,281,602 tons.

For the first quarter of 1942, output rose to 5,191,694 tons, compared to 4,826,332 tons during the first quarter of the preceding year.

Output of coke stands as follows: March of this year, 287,000 tons; March, preceding year, 266,000 tons. February 1942 output was 253,000 tons. Coke output for the first quarter of 1942 totaled 818,000 tons, compared to 774,000 tons in the like period of 1941.

Coal imports for March 1942 were 979,169 tons, compared to 703,411 tons in March 1942. Average imports for March during the last 5 years are 551,381 tons.

March imports divide as follows: Anthracite, 342,252 tons; bituminous, 636,917 tons. Exports for the month amounted to 50,360 tons, compared to 27,813 tons last year, bringing the 5-year average exports for March to 31,817.

### Nazis' Coal Industry Facing Catastrophe?

Germany is using coal at the rate of 64,000,000 tons per year in the manufacture of synthetic oil and rubber, according to figures quoted in the European press. About 23,000,000 tons represent coal, and 41,000,000 tons are brown coal.

Analysts insist that catastrophe in Germany's coal situation has almost been reached, partly because of a serious shortage of miners. During the first part of 1942, indications were that Germany had a shortage of 180,000 miners, although only 60,000 had been drafted into the Army.

### Ireland's Situation "Extremely Tight"

Coal coming into Ireland at present is being reserved for industrial purposes to a large extent, according to the foreign press. No change has appeared in the extremely tight coal situation.

Turf cutting, however, has been speeded, and is proceeding under favorable conditions, it is said. In rural regions, attempts are being made to supplement peat supplies with old timber and with other waste materials adaptable to fuel use.

Gas and electricity are still short, and gas works are having difficulties in obtaining coal. Dublin's works remains on limited hours of operation.

### Portuguese Spur Coal Production

Portuguese coal production is to be inincreased to 850,000 tons for 1942, says the European press. Efforts are being made to work the mines much more extensively.

Normal coal output of Portugal stands between 250,000 and 310,000 tons, but in 1941 the output was raised to 670,000 tons. Coal shortages are said to be developing in spite of the increased output.

Plans call for further increases during 1943, up to 1,000,000 tons of coal. Meanwhile, Portuguese consumers are burning wood to make up for shortages of coal.

### South African Output Increasing

Both Natal and Transvaal collieries in South Africa report increased coal outputs during 1941, compared to production for 1940, according to the European press. Production figures have continued to increase during the first months of 1942.

March 1942 production showed an increase of 57,084 long tons over February production. Total output for March was 380,714 long tons, almost 63,000 long tons more than the 317,906 tons mined in March 1941.

Demand for coal for bunkering and industrial purposes rose steadily during the year ended March 1941, according to the South African Railways and Harbors Board. The demand resulted in new high record outputs in the Transvaal mines, monthly production exceeding the 1,000,000-ton mark for the first time.

Predictions are already current that South Africa may find feasible the manufacture of artificial fibers from coal and limestone after the war. Coal also may

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Courtesy Office of War Information

be substituted for coke in water-gas production, it is believed.

### U. K. Tries Inferior Fuels

So tight are coal supplies in parts of the United Kingdom that consumers are experimenting with various grades of inferior fuels, says the foreign press.

"Slurry," a commodity largely the residue from coal washers, is coming into use, and coke breeze is being mixed with Durham smalls for consumption in the plants of various gas companies.

Coke breeze is a product of coke manufacture, not used for smelting or for other purposes to which coke is put. Coke production usually results in 10 percent coke breeze, it is stated.

Indications are that more attention will be paid in the future to utilization of qualities of coal which would be disregarded during ordinary times.

# Construction

### Argentina's Comprehensive Program

The sum of 210,000,000 paper pesos (about $52,500,000) has been earmarked for public works this year, states the Argentine press. About four-fifths of this amount has been allocated to sanitary works, the Ministry of War, the State Railways, buildings, and navigation and ports, in the order of size.

A committee appointed by the Government to study the principal needs of the national territories agreed on a 10-year program of 380,000,000 pesos (about $95,000,000) which will supplement the works being undertaken in the territories by military authorities.

The program calls for the construction of railways, irrigation works, and ports, while special attention has been given to the construction of powerhouses, using the available water power as a source of energy.

In presenting its report, the committee stated that present conditions may prevent a number of the proposals being undertaken immediately, but there are many of great benefit which could be commenced at once.

### Building Permits in Brazil's Capital

The following table shows building permits issued at Rio de Janeiro during the first quarter of 1942, and the total floor space in square meters. Building permits issued in the Federal District include residential, commercial, mixed, storehouses, remodelings, and additions.

*Building Permits Issued and Total Floor Space: Federal District, During First 3 Months of 1942*

[Space in square meters]

| Month | New buildings | | Remodelings | |
|---|---|---|---|---|
| | Number | Floor space | Number | Floor space |
| January | 205 | 84,847 | 4 | 685 |
| February | 276 | 104,374 | 7 | 354 |
| March | 199 | 72,128 | 5 | 528 |
| Total | 680 | 261,349 | 16 | 1,567 |

| Month | Additions | | Total | |
|---|---|---|---|---|
| | Number | Floor space | Number | Floor space |
| January | 198 | 11,110 | 407 | 96,642 |
| February | 249 | 21,296 | 532 | 126,024 |
| March | 201 | 11,469 | 405 | 84,125 |
| Total | 648 | 43,875 | 1,344 | 306,791 |

### Canadian Activity Cut

Restriction of nonessential building, together with material shortages, has reduced construction activity in Canada. Contracts awarded in the first 5 months of 1942 were valued at $88,000,000, a 32 percent drop from the corresponding period last year.

Contracts for new war plants are still being let, but the peak in industrial building has probably been passed. Large extensions to manufacturing facilities were made in 1940 and 1941.

Although residential building is below the 1941 volume, it has held up better than other classifications. The sizable number of contracts placed for housing in war industry and defense areas has been an important factor in the residential field.

Shortages of asphalt and coal tar, together with retrenchment in provincial expenditures, have reduced the amount of road construction. Only essential work connected with the war is being undertaken.

### Nazis Tell Owners to Postpone "Upkeep"

German building owners have been ordered by the Reich Minister of Labor to forego improving buildings for the duration of the war, according to a Radio Berlin broadcast received by the Federal Communications Commission.

U. S. Department of Labor

The Berlin radio warned building inspectors and home owners that peacetime safety regulations had been suspended in the upkeep of buildings, and that "all upkeep not absolutely necessary is to be postponed."

### Developments in Ireland in 1941

The building trade, like other Irish industries, felt the effects of the war in 1941, but was able to adapt itself to restricted means of transport, shortages of materials, and a reduction in number of the most highly skilled workers.

In addition to drastic reductions in road and rail transport, the rationing of timber and the shortage of structural steel, as well as the scarcity of glass suitable for windows, impeded the industry in 1941. On the other hand, supplies of domestically produced cement, brick, and tiles were sufficient to meet all requirements during the year.

Much of the buildings carried out was done by private persons and public utility societies with the aid of State grants. In the year ended November 30, 1941, 4,944 new houses were completed in rural and urban areas, and 1,736 were reconstructed.

### Milan (Italy) Planning Subway

Plans have been approved for construction of an underground railway system in Milan, states the British press.

A beginning will be made with a central line from Sesto San Giovanni in the East end to the suburb of Maddelena in the West end. It has not been decided how far the line will go beyond the two main railway stations, although Sesto San Giovanni is 4½ miles from the Central Station of the State Railways.

The line will be constructed chiefly under main thoroughfares, the report states.

### Mexico's New Airports

Two new airports, as well as three emergency landing fields, are being built in Mexico by American Air Lines for use in its services which were approved by the Civil Aeronautics Board in April.

The two airports are at a point 15 miles north of Monterrey and at Mexico City, and the emergency landing fields at Victoria, Tamaulipas; Guerrero, San Luis Potosi; and Actopan, Hidalgo.

American Air Lines de Mexico, S. A., the subsidiary company formed to comply with Mexican law, has now taken over the entire work of construction, assigning contracts to local firms. Operations started immediately after the Board's approval.

# Electrical Equipment

### New Power Plant for Ireland

The hydroelectric power plant at Poulaphuca on the River Liffey, near Dublin, was expected to be put into operation early in 1942, following the installation of the generator and part of the switch gear which were received late in 1941. The project was started in 1938.

The plant will have a capacity of 45,000 horsepower and in addition, 20 million gallons of water will be furnished the Dublin Corporation daily from the reservoir at Poulaphuca.

# Essential Oils

### U. S. Citronella-Oil Imports

Our imports of citronella oil, a product of many purposes but believed to be used mainly as a perfume agent in the manufacture of toilet soaps, amounted to almost 3,000,000 pounds in 1940 and were valued at $700,000.

Of the total amount imported, 2,370,000 pounds came from the Netherlands Indies; 388,000 from Ceylon; and most of the remainder, about 145,000 pounds, from Guatemala. In Guatemala the industry is relatively new but appears to be making good progress.

### Lemongrass Oil From Guatemala

In recent years Guatemala has become increasingly important as a source for lemongrass oil, a product used for many purposes, but at this season valued mainly as a repellent for mosquitos. In 1940, the last full year for which data are available for publication, our imports from that country amounted to 116,000 pounds. Altogether around 380,000 pounds were imported during that year, the remainder coming mainly from British India.

# Foodstuffs and Allied Products

## *Coffee, Tea, and Yerba Mate*

### U. S. Imports of Mate

Our imports of Paraguayan tea (yerba mate) come mainly from Brazil, more than 63,000 pounds having been im-

ported from that country in 1940. Argentina was the second largest supplier during that year, with 15,000 pounds, followed by Paraguay with 4,000 pounds. Receipts were invoiced at a little over 7 cents per pound.

Yerba mate serves as a beverage, similar to tea.

### Gautemalan Coffee Exports

Exports of clean coffee from Guatemala during the period June 5 to July 2, 1942, amounted to 43,378 bags of 60 kilograms, a considerable drop from the previous month's figure of 144,631 bags, but triple the 17,043 bags shipped during the comparable period of 1941.

Exports of coffee during the first 6 months of the calendar year 1942 totaled 522,163 bags of 60 kilograms each, compared to 569,405 bags during the same period of 1941.

The following table shows exports of Guatemalan coffee during the first half of 1942, compared with the similar period of 1941:

| Country of destination | First 6 months of— | |
|---|---|---|
| | 1941 | 1942 |
| United States | 539,848 | 506,381 |
| Canada | 15,274 | 11,291 |
| Switzerland | 573 | 3,879 |
| British Honduras | 60 | 337 |
| Argentina | | 264 |
| United Kingdom | | 11 |
| Sweden | 10,525 | |
| China | 1,254 | |
| Philippine Islands | 1,249 | |
| Greenland | 622 | |
| Total | 569,405 | 522,163 |

Prospects for the 1942–43 coffee crop continued good in practically all districts and, provided an adequate supply of labor is available, a crop slightly larger than normal is probable.

## *Dairy Products*

### Canada's Cheese Output

Increased production of cheese in Canada has continued, although at a smaller percentage rate after the season of heaviest production was reached. During the week ended July 4, the number of boxes of cheese graded in the Provinces of Ontario and Quebec was 18.7 percent greater than in the corresponding week of last year, whereas receipts of butter at Montreal were 11.2 percent less. June is the peak month for the production of both butter and cheese.

The shift from butter to cheese is also reflected in the stocks reports. At the first of June, stocks of creamery butter, 10,000,000 pounds, were 8,500,000 pounds less than a year ago, whereas stocks of cheese, 43,700,000 pounds, were 19,400,000 pounds larger.

At the first of July, stocks of creamery butter, in the principal cities only, were up 10,800,000 pounds for the month, as against an accumulation of 12,900,000 pounds during June of last year. However, the month's accumulation of cheese in the principal cities was 17,100,000 pounds as against only 7,300,000 pounds a year ago.

U. S. Department of Agriculture

Canada produces about 16,000,000,000 pounds of milk annually. In 1940 38 percent was used for creamery butter and 10 percent for factory cheese. If the decrease of 10 or 12 percent in the production of creamery butter had been permitted to continue throughout the remainder of the season it would have resulted in a shortage of about 30,000,000 pounds of creamery butter, as compared to last year.

Similarly, if an average increase of 20 percent in cheese production had been maintained throughout the year, cheese production would have been about 30,000,000 pounds more than last year, whereas only 13,000,000 pounds additional would be required to supply export needs.

## *Fish*

### British Columbia Salmon Pack

The salmon pack in British Columbia, Canada, as of June 27, 1942, amounts to 13,268 cases, compared with 27,402 cases last year, and 13,761 cases in the corresponding period of 1938, according to the Chief Supervisor of Fisheries in Vancouver.

The pack by species to June 27, 1942, together with comparative figures for 1941 and 1938 was as follows:

[In 48-pound cases]

| Species | 1942 | 1941 | 1938 |
|---|---|---|---|
| Sockeye | 405 | 1,967 | 2,491 |
| Springs | 1,820 | 1,236 | 1,690 |
| Steelheads | 4 | 42 | |
| Bluebecks | 9,913 | 15,976 | 9,118 |
| Coho | 1,108 | 8,159 | 462 |
| Pinks | | | |
| Chums | 18 | 22 | |
| Total | 13,268 | 27,402 | 13,761 |

Salmon fishermen of the United Fishermen's Federal Union have reached an agreement with operators relative to prices for the 1942 catch which are approximately 30 percent higher than those paid last year.

It is reported that the Canadian Government has under consideration an order in council which will provide compensation up to $2,000 to fishermen who lose their vessels as a result of hostilities, with an additional allowance of $400 for nets. Fishermen owning more than one boat do not qualify for such compensation, and companies or corporations likewise are not eligible for Government compensation.

## *Fruits*

### Crop Prospects in British Columbia

The crop prospects in British Columbia for tree fruits, although good, are not up to earlier expectations.

While apple production is expected to amount to about 5,750,000 boxes, an increase of 1,400,000 boxes over last year, adverse weather during the blossoming period has resulted in a lighter set of fruit than was at first anticipated. This estimate of apple production may have to be revised downward later in the season, as mildew and scab in apple orchards is now prevalent.

The Dominion Government has by an order in council made provision to help apple growers in British Columbia by providing a maximum of $1,265,900 to safeguard growers in part against losses which otherwise seem inevitable as a result of the war and the loss of export markets. By the agreement between the British Columbia Fruit Board and the Minister of Agriculture, the Canadian Government will assist in marketing a maximum of 4,750,000 boxes of apples, less any quantity sold by the board in export markets.

The Government will pay the British Columbia Tree Fruit Board an amount equal to the difference between $1.25 per box wrapped pack or $1.15 per box of unwrapped pack and the amount actually received for 4,500,000 boxes. Provision is also made in the agreement for an additional 250,000 boxes, for which the Government will pay the board the difference between $1 a box and actual lower prices received.

The Government has agreed to purchase from the board up to 2,240,000 pounds of choice quality evaporated apples, 22 percent moisture, packed for export at 11 cents a pound f. o. b. shipping point.

Thinning of peaches and apricots is about complete. The fruit is sizing well and appears clean. Last year the peach crop amounted to 13,968,600 pounds and the estimate for this year is given as 14,068,000 pounds. A larger increase is expected in the yield of apricots, the estimate for this season being given as 5,578,400 pounds, compared with a production of 4,248,420 pounds in 1941.

Prunes are showing up better as the size increases. However, it is estimated that production this year will be 26 percent below the 1941 yield which amounted to 10,688,325 pounds.

The estimate of plum production for this year is 4,378,000 pounds, compared with 5,170,960 pounds in 1941.

OWI Photo

The crop of cherries this year is expected to be about 4,894,000 pounds, compared with 5,007,620 pounds in 1941.

While no production estimates have been released covering this season's production of pears, the crop is expected to be below that of last year.

### *Grain and Products*

#### Chile's Cereal Output

Production of all cereals in Chile fell off during the crop year 1941–42, owing chiefly to the smaller acreage sown in these products. According to official statistics, wheat production for the year 1941–42 was 7,842,765 metric quintals (1 quintal equals 220.46 pounds) as compared with 7,834,244 metric quintals in 1940–41, and 8,596,933 quintals in 1939–40.

Bean production was 780,396 quintals, compared with 975,512 in 1940–41, and 917,962 in 1939–40. Oats, lentils, barley, and rye registered similar declines.

## Glass and Products

#### British Guiana Imports

Imports of glassware into British Guiana increased in value during the first quarter of 1942 to $50,572, compared with a value of $10,783 for the corresponding period of 1941.

#### India's Profitable China-Glass Industry

The china-glass industry of India has proved to be profitable under war conditions as well as in peacetime, and the Indian Industrial Research Bureau has issued bulletins presenting possibilities for improving and expanding it.

Practically all the raw materials required for the manufacture of china glass, a decorating material used chiefly by the glass bangles industry, are said to be available in India, though for years supplies have been imported.

#### Ireland's Optical-Glass Sand

Optical-glass sand obtained from the top of Muckish Mountain, County Donegal, Eire, reportedly has a ready export market. Commercial production is said to be profitable.

#### Russians Resume Operations at Klin

The Russians again started operations in the scientific glassware factory at Klin, recaptured in December from the Nazis, says the British press. As machinery has not been reinstalled, glass-blowing is presently done by hand methods. The plant reportedly had the reputation for making some of the best laboratory equipment in the world.

#### Situation in United Kingdom

The British optical-glass industry has been able to meet the increased demands resulting from the war, according to press reports, and, in addition, has maintained an export trade. Deposits of glass sands which were found on the banks of Loch Aline in Argyllshire shortly before the outbreak of hostilities are reported to have proved superior to any deposits previously known.

## Iron and Steel

#### Business in Britain

From the Tees iron and steel market the British press reports a considerable volume of business last month, with licenses for the delivery of iron and steel fairly readily obtained. Tonnage for commercial purposes was limited, transactions being largely confined to war requirements.

With large and increasing tonnage of native ironstone replacing ore formerly imported, an ample supply of raw materials is reported. Pig-iron deliveries are adequate for current needs. Consumption of shell discard steel in considerable quantities is necessary as the larger output of semifinished steel does not adequately fill rerollers' heavy needs. Firms manufacturing finished iron are increasing production, particularly in departments manufacturing heavy goods.

Every effort is being made to increase the production of steel, even though present output is at an exceptionally high level. Interest is centered on special qualities, such as ship, tank, and boiler plates. Production of black sheets keeps pace with buyers' expanding requirements caused by the scarcity of galvanized sheets. Colliery arches and props are in demand, and orders are increasing for joists and sections.

Only moderate business is reported in light categories, but heavy grades of iron and steel scrap continue in brisk demand.

#### Regulating India's Supply of Scrap

The Indian Government has issued a warning that in the event of a shortage of scrap raw material for steel rerolling mills, special measures will be taken to regulate the supply, says the British press. Under such a regulation, mills opened after August 31, 1941, would not receive consideration. Reports that a number of new rerolling mills were being planned because of the steel shortage in India were said to have been responsible for the warning.

The Mysore Iron & Steel Works at Bhadravati has completed plans to produce baking bands, and has placed an order in England for a strip mill for this purpose. Stocks of the bands and ties are said to be running low, and the attention of consuming industries has been called to the possibility of a shortage.

## Leather and Products

### *Hides and Skins*

#### Argentine Exports

Exports of hides and skins from Argentina decreased 14.7 percent in volume during the first 5 months of 1942, compared with exports for the similar period of 1941. Values rose 21.9 percent.

Leather exports, however, for May 1942 amounted to 1,068.2 metric tons, compared with only 85.4 metric tons in May 1941. (A metric ton equals 2,204.6 pounds.) By far the greater amount of leather exported was destined for the United States.

Cattle hides exported during the 1942 5-month period stood at 50,500, compared with 63,500 hides exported in the like period of 1941. On the same basis, sheepskins decreased from 5,800 metric tons to 5,500 tons. Values of sheepskins increased, however, from 2,516,000 pesos to 6,286,000 pesos.

Hide supplies continued to be insufficient for export requirements, but packers were expecting increases in offerings of livestock. United States buying predominated in the packing house salt hide market, it was said, but trading by local tanners was greater, principally because of a growing demand for leather from the United States and South Africa.

Decrease in hide volume is due to lower slaughterings during the 5-month period. Cattle slaughtered totaled 1,844,830 head, between 100,000 and 150,000 head fewer than in similar periods since 1938.

Sheep slaughterings, however, were up to 3,047,147 head, or 53 percent above the 1938–41 average for the first 5 months' period. Slaughterings of sheep in 1941 totaled 2,000,524 head.

Summaries of current trends in various markets, as reported by the South American press, follow: Calf and slunk hides—all lots disposed of at sustained prices. Dried horsehides—fairly good

Our Free Enterprise Gives More Social Gains Than Any Other System

## Denmark Invades Gardens for Textile Materials

The glory of the lilies of the field is to be replaced in Denmark by the practicality of garden-variety palm lilies or *Yucca filamentosa*—the so-called "Palmelilje," of which the Danes purpose to make string.

Leaves of this plant yield a fiber which can be used for making string, weavings, or fine braids.

Experiments indicate that the "Palmelilje" will yield 1,100 kilograms of fiber per hectare of land; some varieties of palm lilies will produce 4,000 kilograms of fiber to the hectare, state European press reports.

If the new industry of extracting fiber from lilies fulfills the expectations of sponsors, it is possible that Denmark's economic program will be aided by this garden flower, the palm lily, soon to be grown in the field.

demand. Salted cattle hides—good and superior hides found a sustained market.

Other hides, including goatskins, kidskins, lambskins, dried cattle hides, season sheepskins, shorn and quarter-wool skins, showed little or no change, with demand not strong.

The following table shows the number of cattle, hogs, and sheep slaughtered during the January–May period from 1938 to 1942:

| Period | Cattle | Hogs | Sheep |
|---|---|---|---|
| January–May, 1942 | 1,844,830 | 668,125 | 3,047,147 |
| January–May, 1941 | 1,980,569 | 497,217 | 2,000,524 |
| January–May, 1940 | 1,940,752 | 334,186 | 2,529,104 |
| January–May, 1939 | 1,911,308 | 321,151 | 1,638,394 |
| January–May, 1938 | 1,768,514 | 417,170 | 1,787,247 |

The value in pesos of hides exported during January–June 1941 came to 68,424,520 pesos, compared with hides valued at 82,712,197 pesos during the like period of 1942.

Volume of hides in metric tons of 2,204.6 pounds came to 85,916 during the January–June 1941 period, falling off to 74,049 tons during the first 6 months of 1942, a loss of 11,867 tons.

# Lumber and Products

### British Columbia's Cut

The sawlog cut in British Columbia for the first 4 months of 1942 is reported by the Canadian press to have been 934,374 M board feet, compared with 1,086,345 M board feet in the corresponding period of 1941. The cut in April 1942 was 288,034 M board feet, a drop from 341,124 M board feet in April 1941. Labor shortages have been a factor in the decrease in output.

### Canadian Exports

Canada's wood and paper exports for the first 4 months of 1942, according to the Canadian Bureau of Statistics of the Department of Trade and Commerce, showed a steady upward trend. Total exports for the period were valued at $29,582,000, compared with $28,400,000 for the corresponding months of 1941. The amounts given cover only goods of Canadian origin; goods transshipped to Canada from other countries are not included.

# Medicinals and Crude Drugs

### Resources of Anglo-Egyptian Sudan

Few of the many crude drugs grown in the Sudan occur in quantities sufficient to make large-scale collection possible under existing circumstances. It is, nevertheless, interesting to observe the variety of medicinal plants flourishing in this area in the light of their growing importance.

Among these herbs is licorice (*Glycyrrhiza glabra*) which grows in the Sudan and the Libyan Desert. Distilled from the roots of the plant, licorice makes an agreeable coating for pills and renders bitter medicinal solutions more palatable.

*Cassia fistula* is prized as a garden tree in the Sudan. The pulp of its ripe fruit is employed as a laxative in small doses; sometimes it is combined with senna, another laxative.

*Datura stromonium* and *Datura metel* grow in northern Sudan. These plants are similar to belladonna in their uses and action.

*Urginea micanthrus*, a variety of squills, flourishes in the Red Sea hills, Darfur, and south of latitude 13. *Urginea indice*, another kind of squills, is plentiful in Cyprus, Malta, Palestine, and Egypt, but is rare in the Sudan. Squills come from the bulb of plants belonging to the digitalis group and have the power of slowing and strengthening the pulse and contracting blood vessels.

*Ephedra alta* abounds in the Red Sea hills, but probably does not contain much ephedrine. At present ephedrine-yielding plants are meeting stiff competition from the synthetic product.

*Ricinus communis* (castor oil) grows semiwild on river banks in the Sudan.

*Capsicum annum* (sweet pepper), which flourishes in a wild state in Kenya, is considered a valuable source of vitamin C. It is also a powerful local stimulant producing a general glow over the body without narcotic effect and is helpful in treating chilblains.

*Cannabis sativa*, dried powder from flowers of the plant, is used in medicine to relieve pain and soothe restlessness. It often alleviates migraine headaches, but its general use is impractical because of the great variation in samples.

*Tarmarindicus indica*, a large spreading tree, grows all over southern Sudan, Blue Nile, and Kordofan regions. The fruit of this tree acts as a laxative, and as a refrigerant in treatment of fevers.

Aloes are abundant but would be difficult to collect in great quantities. It is doubtful whether the Sudan species contain much aloin, the ingredient which gives the drug its laxative qualities.

*Cantharides* (blister beetles) are numerous in the Sudan. The insects are caught, killed by vinegar, and dried. The resultant powder, highly poisonous, is used to produce blisters, which relieve neuritis, peritonitis, and pleurisy.

*Nicotiana rustica* is grown in southern Sudan and Darfur but contains little nicotiana, or tobacco poison.

*Chenopodium*, the fruit of which is used to destroy stomach worms, may be discovered in limited quantities.

*Ocimum* is an aromatic plant with a camphorlike odor. It was grown very successfully a few years ago by a local settler, and a good crop was obtained. The venture was impractical, however, since there were no means for distilling the camphor.

*Croton tigleum*, the species used in medicine, grows in southern Sudan. The oil of this shrub is a drastic purgative usually administered in tiny pills.

The *Jatrophe curcas* tree has been introduced from Egypt. The dried juice from the trunk of this tree is a powerful astringent and is also employed to check diarrhea.

Senna and henna are exploited commercially in this region. Henna leaves, besides their dyeing qualities, are helpful in treating jaundice, leprosy, and other infections of the skin; senna leaves have cathartic properties.

# Motion Pictures

### Panama Likes U. S. Films

Approximately 75 percent of the feature films shown in Panama are supplied by the United States; the remaining 25 percent being received chiefly from Ar-

OWI Photo

Courtesy Office of War Information

gentina and Mexico. There is no domestic film industry, although about 500 feature pictures are needed annually to meet exhibitors' demands.

The 1941 gross income of Panama's 33 theaters is estimated as $1,200,000. Large numbers of war workers and members of the armed forces of the United States have come into that area during the last 6 months, however, and motion-picture attendance has increased to such an extent that it is believed box-office receipts may be 60 percent greater in 1942 than in 1941.

### R. A. F. Production Unit

The Royal Air Force Film Production Unit, which was established in Great Britain in September 1941 with a staff of 60, now has 4 mobile detachments in the home command, a large mobile detachment in oversea service, and a small headquarters section, according to press reports. The unit is performing several valuable services, in addition to its primary function of recording the work of the Royal Air Force in the War. It prepares propaganda films of a documentary nature, training films, and others dealing with secret experiments. Special sequences for commercial motion-picture companies are also frequently prepared, if library films are not available, and it is not considered advisable to permit the companies to visit Air Force stations.

Three full-length documentary films and six short films will be made annually under present production schedules. It is hoped that eventually, however, there will be a full length documentary film covering the activities of each command.

The oversea detachment has been in the Middle East since early in 1942 and was last reported at work in Libya. Films have been made showing activities of squadrons in Africa and incidents of desert warfare. Two cameramen spent 3 weeks in Malta obtaining additional material.

Plans are now being made to organize a Royal Canadian Air Force film unit and a Polish film unit to record the work of their respective air forces.

# Nonferrous Metals

### Resumption of Work at Argentine Mine

Work in a derelict copper mine near Chilecito, Argentina, is to be resumed on a large scale under a lease to the Military Factories Department. As mine and plant equipment have deteriorated since the suspension of operations in 1922, it is probable that the mine will not come into production within a year. It has been estimated that the mine will have the capacity to supply about 10 percent of the country's needs.

### New Gold Discovery in South Africa

In the old workings of the Southern Van Ryn mine in the Klerksdorp district of South Africa a reef of gold lost for 40 years has been rediscovered, according to the British press. A mining official has said that 100 yards of gold have been found hanging like icicles from jagged rock; that some of the samples, containing about 70 percent pure gold, could almost be handed over for assay without going through the reduction works; and that they assay hundreds of ounces to the ton is no exaggeration.

# Nonmetallic Minerals

### Cement in Ireland

Consumption of cement in Eire in 1941 amounted to 228,881 tons. Production figures for 1941 are not available, but since production was maintained near the level of the preceding year, when total output was reported at 267,670 tons, it is presumed that domestic output more than covered local requirements.

### India's Output of Rosin and Turpentine

Production of rosin in India during the last quarter of 1941 amounted to 2,332 long tons, according to the British trade press. Stocks on hand at the year end amounted to 1,956 long tons.

Turpentine production during the last quarter of 1941 came to 631 long tons, and stocks at the year's end amounted to 402 long tons.

### Peanuts and Sesame in Sudan

In 1940 production of peanuts in Sudan rose nearly 50 percent over 1939, while sesame-seed production showed little change. The estimated peanut production in 1940 was 14,736 long tons, compared with 9,919 tons in 1939, and 8,621 tons in 1938. The sesame-seed yield in 1940 was estimated at 32,000 tons, compared with 32,034 tons in 1939, and 33,160 tons in 1938.

Imports of peanuts and sesame were negligible in 1940, amounting to less than a ton each.

Exports in 1940, going chiefly to Egypt, are summaried below:

| Country | Peanuts | Sesame |
|---|---|---|
| | *Tons* | *Tons* |
| Arabia | 87 | |
| Cyprus | 3 | 193 |
| Egypt | 7,257 | 9,465 |
| France | 630 | |
| Palestine | 102 | 530 |
| United Kingdom | | 20 |
| Other countries | 1 | 120 |
| Total | 8,080 | 10,318 |

## Hark! Hark! the Seaweed!

A new use has been discovered for echo-sounding devices installed on cargo as well as passenger ships, says a British shipping authority. Besides recording the contour of the ocean bottom for purposes of navigation, these ingenious instruments may reveal patches of seaweed or the passing of a shoal of fish.

An improved echo-sounder was installed on a small coastwise motor launch to detect seaweed, used in the manufacture of iodine. In due course the recording chart showed areas on the ocean bottom which proved to be beds of the sought-for seaweed.

The apparatus permits accurate soundings at ordinary ship speed—a distinct advantage over the old instruments which necessitated slowing down the craft or heaving to when making soundings.

Sensitive echo-sounders on small coasting vessels record down to 2 fathoms of water below the keel.

# Paper and Related Products

### Ireland's Problems

One mill, the Clondalkin Paper Mills, Ltd., supplied Ireland with two-thirds of the national paper needs during 1941 The mill has not worked at full capacity, however, because of a shortage of raw materials.

Wood pulp was received in abundant quantities from the United States, but waste paper was not received in sufficient amounts to keep the mills working for full time.

Machinery for processing wheaten straw has been installed by the Clondalkin mill, and it has recommended in its report that Ireland undertake a long range reforestation program to provide wood for a wood-pulp industry.

Limited amounts of newsprint were supplied to newspapers throughout the year, helping to ease the shortage in the newsprint field.

### Difficulties Confront Newfoundland's Newsprint Industry

Newsprint manufacturers in Newfoundland are concerned about continuance of the industry, largely because of

rising costs on the one hand, and ceiling prices on the other.

Doubt is expressed that the industry can remain on a profitable basis, and steps are being taken in the attempt to raise the price ceiling.

The United States is Newfoundland's chief newsprint market.

### Swedish Exports and Imports

Total values of pulp and paper exported from Sweden during April 1942 remained approximately the same as a year earlier.

Export statistics show values at 33,700,000 crowns during April 1942 and at 33,100,000 crowns during April 1941.

Pulp and paper exports during the period January–April 1942 fell off 8,000,000 crowns in value, however, when compared with exports during the similar period of 1941. The values were: April 1941, 96,800,000 crowns; April 1942, 88,800,000 crowns.

Export losses in pulp and paper are consistent with, but not so great as, general losses in Swedish exports.

Import values during April 1942 amounted to 1,900,000 crowns, compared with 2,400,000 crowns during April 1941. Import values during the 4-month period January–April 1942 came to 5,500,000 crowns, representing a loss of 3,500,000 crowns from the similar period during 1941, when imports came to 9,000,000 crowns.

# Petroleum and Products

### Alberta's Output

Oil production in Alberta, Canada, continued to increase during May 1942, figures showing that 876,732 barrels were produced during the month, compared with 807,022 barrels during May last year. The figure includes natural gasoline production.

Average daily production for May came to 28,282 barrels, of which 27,258 barrels per day were produced in Turner Valley.

Natural gasoline production for Alberta during the same month came to 4,426,765 million cubic feet, a decrease of 16,932 million cubic feet daily as compared with May of the preceding year. The decrease was largely owing to the reduction of the gas/oil ratio of Turner Valley wells.

Crude oil and natural gasoline in storage in Alberta on June 1, 1942, amounted to 530,504 barrels, representing an increase of 128,160 barrels over the 402,344 barrels on hand on June 1 of the preceding year.

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BIGGER DRIVE

Refined petroleum stocks on hand on May 1 amounted to 1,260,522 barrels, compared with 1,457,352 barrels on hand the year before.

During May there were 30 new wells being drilled in Turner Valley. Two new drilling licenses were issued, and two wells were abandoned. Allowable daily production in the field has been reduced from 26,187 barrels in June 1942 to 25,075 barrels in July, although new wells are being brought in occasionally.

The last well reported is at the north end of the Turner Valley field, which, after a 10,000-gallon acid treatment, came in on June 30, with a daily flow of 2,000 barrels.

A small well was recently brought in by Standard Oil of British Columbia near Taber, Alberta, at a depth of 3,174 feet. No production figures have been given for the well.

Other new developments in Alberta include the construction of a plant near Calgary to produce 100-octane gasoline from materials obtained from Turner Valley gas, which is wasted at present. The plant will be ready for production about October 1942.

Materials now used in 100-octane production are obtained from the United States, and erection of the new plant will relieve the United States war effort. When the present plant is completed, Canada will have three refineries devoted to 100-octane gasoline manufacture.

The first oil well in Alberta to secure good showings in the Devonian limestone is the recently drilled producer in the Ram River-Clearwater area in the northern Alberta foothills, west of Rocky Mountain House.

The well was finished at 4,340 feet, the porous horizon running from 4,250 to 4,325 feet. The well was shut in for 5 days after the strike and pressure on the casing valves brought up to 125 pounds. It is hoped that a flowing well will develop after bailing some of the drilling fluid. Pressure on the casing valves is increasing at the rate of 25 pounds per day.

### Ireland Suffers Big Drop in Gasoline Imports

Although Ireland normally consumes more than 45,000,000 gallons of gasoline and synthetics per year in its motorcars, only 17,814,232 gallons of gasoline and motor spirit were imported during 1941, according to the foreign press.

During 1939, a typical normal year, Government figures indicate that Irish consumption was divided as follows: Net imports, 44,292,064 gallons; motor alcohol produced at Haulbowline refineries, 2,000,000 gallons; alcohol production at industrial factories, 787,000 gallons.

Motor vehicles in the Irish State now receive about 8 gallons per month for cars under 1,400 pounds, ranging upward to 30 gallons for vehicles over 5 tons. About 7,000 cars were granted permits to operate during May.

(Basic rations for all vehicles, excepting those in essential services, were eliminated during June.)

### French Refinery to Process Lignite

A new plant, employing the Fischer-Tropsch process of hydrogenation, is to be erected at Aix-en-Provence in France by a newly formed company, the Compagnie Centrale d'Hydrogenation et de Synthese, states the European press. The refinery will process the lignite found in the Fuveau basin.

To be completed in 3 years, the plant will have a capacity of 25,000 metric tons of gasoline and 25,000 tons of methanol per year. Later the company expects to erect other plants.

Since the plant is located near the Mediterranean, plans are to process mineral oil residues imported from the Near East, provided raw materials are available.

The refinery is another of the many being erected in France in the attempt to overcome drastic shortages brought on by the war.

### "Gas" Situation in Puerto Rico

Though Puerto Ricans' gasoline coupons will be valued at only 1 gallon each, owners of the island's 31,000 gasoline-propelled vehicles will have an average of 8 gallons of gasoline per month.

The amount contrasts with that allotted to citizens of the eastern United States, where coupons are valued at approximately 4 gallons each, but drivers will get only about 16 gallons per month on their basic A books.

Gasoline situation on the island is critical, according to the Office of Price Administration, since all petroleum stocks must be imported.

In general, the distribution of gasoline will follow the same procedures set up in the eastern United States.

### Sharp Shortage in Spain

Although Spain's normal civilian needs of petroleum and products amount to about 600,000 metric tons annually, amounts averaging only 200,000 tons are being imported yearly at present, says the foreign press.

To help supply the deficiency, a coal-hydrogenation plant is being erected in Teruel Province (to the north of Valencia). Coal for the plant will come from north Spanish mines.

### Oil from Shale in Sweden

A year's operation of Sweden's shale-oil plant Kinnekulle has proved that the shale in the region can be almost completely converted to oil, according to the European press. Oil from the plant is used for the navy.

Development of byproduct processes has helped reduce the cost of the oil's recovery, it is claimed, and the sulfur plant in particular produces large tonnages of top grade sulfur.

More retorts are to be built in the future.

### Swiss Position Serious

Switzerland has been unable to get deliveries of expected amounts of petroleum from Rumania during the last year, says the European press. Reason is said to be the extreme cold and the difficulties of transportation.

Swiss imports during 1941 were only one-fifth of the pre-war average of from 430,000 to 435,000 tons per annum. Compared with 1940 figures, imports last year showed a decline of more than two-thirds. Indications are that a further decline must be expected for the current year. The Swiss position is the more serious because the amounts of other fuel supplies obtainable are also limited. German coal deliveries have declined, and electric-power production has been hindered by the low level of water at hydroelectric stations.

Producer gas is filling a very small part of the fuel deficit, its use not having reached the proportions built up by other countries.

## Railway Equipment

### Electrifying Brazilian Line

Bids have been asked for the electrification of the Estrada de Ferro Thereza Christina, in Brazil, according to the British press. The railway is situated in the southern corner of the state of Santa Catharina.

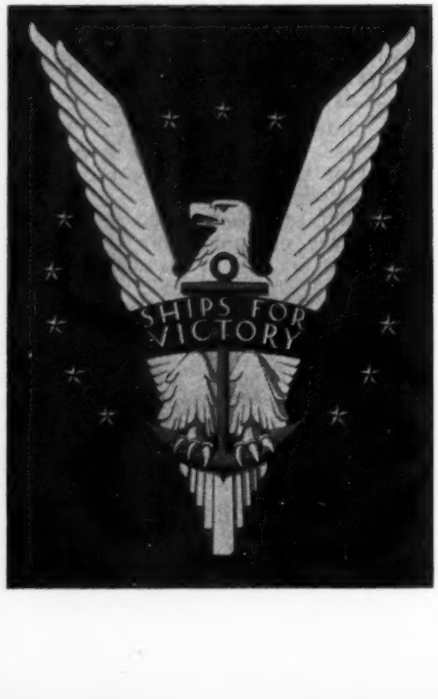
Plans with which the bids must comply include a thermo-electric generating station at Capivari which will burn the refuse from coal washing centers in Santa Catharina and provide energy for the mining regions of Cressiuma, Urussanga, and Lauro Muller, as well as for the railway.

Electrification will be carried out from Imbituba to Laguna, along the coast, and also to the branch-line terminal stations at Cressiuma, Lauro Muller, and Rio Deserto, a total distance of 221 kilometers. The right-of-way has been laid out in such manner as to prevent speeds greater than 50 to 55 kilometers per hour, even after certain projected improvements.

The aerial-support system to be adopted will consist of timber uprights with galvanized steel arms 50 meters apart in the tangents. Substations are planned at Bifurcação, Esplanada, and Santa Clara. Ten locomotives of the 0-6-6-0 type have been ordered to meet initial requirements.

### China Builds Locomotive

The first locomotive built in recent years in China has been turned out by the Central Railway workshops, states the European press. It is intended for service between Shanghai and Peiping.




The construction of a light railway between Chungking and Kweiyang, a town in Kweichow Province, a little over 300 miles away, is said to be planned to follow approximately the route of the present highway.

### Spain's Locomotive Production Behind Schedule

Of 300 locomotives ordered for Spanish railways in 1939, only 11 percent had been delivered by the end of 1941, say United Kingdom press reports, the delay in production being caused by lack of copper, which has necessitated extensive alterations in design.

Repairs have been made to 631 engines, some of which were still in service, and some of which had been condemned already in 1939. Cars repaired number 25,000, and 2,500 new cars are said to have been delivered by the end of 1941, out of the 6,000 ordered in 1939.

No additions have been made to coach stock, but 2,700 coaches have been repaired since 1939.

Spain had 2,800 locomotives, 69,200 cars, and 4,383 coaches in 1935; in 1939 the figures were 1,837, 41,700, and 1,740, respectively.

### Swiss Rolling Stock for Nazis

The Swiss authorities have supplied Germany with 27 steam locomotives and several thousand freight cars, according to reports in the European press.

By reason of heavy war demands on the German State Railway, the rolling stock is needed in order to bring back imports to Switzerland.

## Rubber

### Bolivian Rubber for U. S.

Under a new agreement, the United States Rubber Reserve Company will purchase during the next 5 years virtually all the rubber produced in Bolivia. The announcement was made by the Department of State, the Board of Economic Warfare, and the Rubber Reserve Company.

Only Bolivian rubber not taken by the Rubber Reserve Company will be small amounts required for domestic needs in Bolivia, together with a maximum of 250 tons which is to be available each year for export to neighbor countries.

The sixth such agreement between the United States and Central and South American nations, the present one provides for expenditures of $2,125,000 by Rubber Reserve Company in the development of rubber reserves in Bolivia.

Other agreements already in effect are with Brazil, Peru, Nicaragua, Costa Rica, and Colombia. Negotiations with other rubber-producing South American countries are proceeding.

### Ecuador Helps Supply U. S. Needs

The United States will purchase all rubber that Ecuador produces during the next 5 years, excepting small amounts required for essential domestic needs.

Although the nation has been producing relatively small amounts of rubber, expectations are that large supplies will

be available eventually. Rubber Reserve Company will do the purchasing for the United States.

This agreement is the seventh in the United States program to secure the greatest amount of rubber possible from Western Hemisphere countries. Agreements are already in effect with Brazil, Peru, Nicaragua, Costa Rica, Colombia, and Bolivia.

### Lively Interest in Mozambique

Interest in the production of raw rubber in Mozambique is being revived, according to African press reports. One possible source, it is said, is the latex of *Euphorbia*, which grows in large numbers in the province. Another source of rubber is the two species of *Landolphia* known more popularly as "Kafir Orange," which grow abundantly in the area near Lourenco Marques. Until the early 90's these species were tapped by the natives, and actually provided rubber for export, it is reported.

Applications have been made to the Mozambique Government for concessions to extract rubber from rubber-bearing plants.

# Shipbuilding

### Finland Faces Problems

The demand for new ships in Finland is very great, states the European press, but shipbuilding activities are hindered by the shortage of labor and construction materials, while private shipowners lack the capital needed for new vessels.

Finland has lost about 42 percent of its merchant marine during the war. Finland had, at the end of 1941, 694 vessels with an aggregate of 543,000 gross tons, including 458 steamers, 48 motor ships, 45 sailing ships, and 143 sailing ships with auxiliary motors, according to a report of the Finnish Shipowners' Federation.

Prices for new ships have reportedly increased by 90 percent, while second-hand tonnage has risen even more.

### Nazis Reorganize Industry

The German shipbuilding industry has recently been reorganized, according to reports in the European press.

Formerly a trade group under the iron and steel construction group, shipbuilding has now been made an independent industrial organization with headquarters at Hamburg.

The new group will include all enterprises (private and corporate) engaged in the production of war vessels of all kinds; ships for sea, coastal, river, canal, and inland water traffic, constructed of steel, wood or reinforced concrete, or of composite construction. The group also will embrace hulls for floating equipment, such as dredgers and transshipment craft (for example, floating cranes); steam trawlers, whale catchers, fishing luggers and other fishing craft; and floating docks.

Within the new independent industrial group (Wirtschaftsgruppe Schiffbau) two trade groups for sea and inland yards will be formed.

O. W. I. Photo

### Spaniards Test Producer-Gas Vessels

A medium-sized Spanish sailing vessel, recently fitted with a producer-gas motor, made an experimental voyage between Valencia and Castellon, states the British press. The results were unsatisfactory, however, because of the absence of adequate filters.

Spanish fishing interests, on account of the shortage of gasoline, it is reported, propose to fit auxiliary producer-gas installations to all motor-driven fishing vessels so that they can be kept in service after consuming their gasoline ration.

### Swedes Launch Ore Carrier

An ore carrier, the first of a fleet of eight ships built for the Grängesberg iron-ore mining company by Götaverken shipyards in Sweden has been launched, according to European press reports.

The vessel is equipped with a 5,000-horsepower engine and has a speed of 13¾ knots when loaded. Of the eight ships ordered by Grängesberg, five will have a displacement of 8,950 tons and three of 6,000 tons.

### New Motor Tanker for Sweden

The Swedish motor tanker, *Lillohus*, 13,500 tons deadweight, built by Kockums, was launched recently, states the London press.

Dimensions of the vessel are: Over-all length 465 feet; breadth, 62 feet; depth, 34 feet 6 inches; and draught, 27 feet 2 inches. The propelling machinery consists of a seven-cylinder, two-cycle, double-acting Kockum-M. A. N. Diesel engine developing 4,500-shaft horsepower at 110 revolutions per minute, and designed to give the vessel a speed of 14 knots in loaded condition.

The tanker is of all-welded construction with longitudinal framing. It has 2 longitudinal bulkheads, 9 center tanks, and 10 wing tanks for oil cargo and a pump room amidships. There is a hold for dry cargo forward, with 2 deep tanks for fuel beneath. The engine room is aft, and fuel and lubricating oils are carried in the double bottom below the room. Fuel oil is carried also in the cross bunkers.

### New Graving Dock for South Africa

A graving dock estimated to cost £2,034,000 is to be built at Cape Town, Union of South Africa, according to British press reports.

The dimensions will approximate 1,000 feet long, 150 feet wide, and 45 feet deep. The possibility of being able to obtain the machinery and caissons—which would have to be imported—has been one of the chief deterrents of the project.

A Dutch contracting firm, which has been dredging and reclaiming the new harbor for the past 4 years, has a contract to reclaim the site of the dock and this work is already well advanced. The dock will be the exclusive property of the administration and will be under its control.

# Textiles and Related Products

### Yarn Exports From Santos, Brazil

Exports of all yarns from the port of Santos, Brazil, in 1941 totaled 5,136 metric tons, compared with 1,270 tons in 1940. Exports of fall textiles reached a total of 4,099 metric tons, or slightly more than double the 2,045 tons shipped in 1940. A British periodical itemizes the individual products included in these totals, as follows:

[Metric tons]

| Item | 1940 | 1941 |
|---|---|---|
| Yarns: | | |
| Cotton yarns | 1,012 | 3,219 |
| Rayon yarns | 26 | 1,215 |
| Wool yarns | 25 | 229 |
| Jute yarns | 28 | 170 |
| Silk yarns | 88 | 107 |
| Cotton waste | 80 | 66 |
| Sewing thread | 11 | 130 |
| Textiles: | | |
| Cotton cloth | 1,742 | 3,199 |
| Jute material | 295 | 559 |
| Woolens and cashmeres | 5 | 147 |
| Silk | 2 | 34 |
| Cotton canvas | 1 | 161 |

### Carpet Manufacture in Great Britain Drastically Cut

Many furniture stores in the United Kingdom have found it necessary to close down their carpet departments as a result of the drastic reduction in carpet manufacture. Some furnishing companies are discontinuing their branch stores and concentrating trade at the main store, while others are closing down entirely, according to a United Kingdom periodical.

On the other hand, the second-hand market has benefited by the curtailment in manufacture as many carpet dealers are attending auction sales and acquiring carpets which they shampoo and resell.

OWI Photo

Carpet manufacturers have not been seriously affected by the curtailment as most mills have been converted to war production.

## *Cotton and Products*

### El Salvador's Cotton Crop

The 1941–42 cotton crop approximated 1,200,000 pounds—about one-third of the exceptionally high production of last year, and less than one-half of the average yield.

Most of the cotton is consumed by the domestic cotton mills which are operating on a 24-hour basis.

Present indications are that acreage under cotton cultivation will be greatly increased in 1942–43.

### Situation in Egypt

In June the Egyptian Minister of Agriculture published estimates indicating that 8,374,090 kantars of the 1941 cotton crop were ginned. Of this total, 2,988,271 kantars were of the long-staple varieties, 153,630 kantars of medium staple, 5,062,485 kantars of short-staple varieties, and 169,704 kantars of Scarto (1 kantar equals 9.9 pounds).

### United Kingdom Exports

Exports of British cotton and rayon yarns, and cotton piece goods declined considerably in the first quarter of this year, states the British press, whereas those of rayon piece goods showed a slight increase over the previous quarter and a decided increase over the same period in 1941. Detailed figures, according to British trade reports follow:

| Item | First quarter, 1941 | Fourth quarter, 1941 | First quarter, 1942 |
|---|---|---|---|
| Cotton yarn pounds | 8,114,000 | 5,807,000 | 4,294,000 |
| Cotton piece goods square yards | 185,109,000 | 227,023,000 | 141,622,000 |
| Rayon yarn pounds | 4,089,000 | 6,424,000 | 3,676,000 |
| Rayon piece goods square yards | 14,913,000 | 33,652,000 | 35,852,000 |

## *Synthetic Fibers*

### Argentina's Rayon-Yarn Purchases

Imports of rayon yarn into Argentina amounted to 1,113 metric tons in 1941, compared with 1,574 in 1940, or a decrease of 461 tons.

The countries of origin changed considerably, as indicated by the following table:

| Country of origin | 1940 | 1941 |
|---|---|---|
| | *Metric tons* | *Metric tons* |
| United Kingdom | 157 | 573 |
| Brazil | 24 | 342 |
| Japan | 43 | 108 |
| Netherlands | 485 | 13 |
| Other countries | 865 | 77 |

France and Italy accounted for the greater portion of the 865 tons shipped from "Other countries" in 1940; the records do not list any imports from these two countries in 1941.

## *Wool and Products*

### Australian Production

During the 1939–40 wool year, 3,639,015 bales of wool were reported to have been produced in Australia, of which 2,625,064 bales were exported and 339,605 used by domestic manufacturers, leaving a remainder on hand of 674,346 bales.

The 1940–41 season's yield amounted to 3,506,210 bales, of which the export market accounted for 1,846,479 bales, states a British publication. About 375,000 bales were absorbed by Australian textile mills, according to trade estimates. This apparently left 1,284,731 bales of the 1941 clip in stock, though final disposition is not revealed.

Estimates place the probable 1941–42 production at 3,590,000 bales—a slight increase over the previous year.

### British Exports

British exports of woolens, worsteds, yarns and tops during the first quarter of 1942 changed only little from previous quarters, says a British trade publication, though the points of destination shifted considerably. Comparative figures follow:

| Item | First quarter, 1941 | Fourth quarter, 1941 | First quarter, 1942 |
|---|---|---|---|
| Woolens, square yards | 8,907,000 | 23,348,000 | 18,393,000 |
| Worsteds, do | 6,406,000 | 9,874,000 | 8,763,000 |
| Worsted yarn, pounds | 2,114,000 | 2,817,000 | 2,054,000 |
| Woolen yarn, do | 296,000 | 286,000 | 145,000 |
| Tops | 4,278,000 | 3,392,000 | 3,493,000 |

### Uruguay's Position

Between 35,000 and 40,000 bales of the last Uruguayan wool clip were being carried in stock at the end of June. Allowing for 8,000 to 10,000 bales which have been sold for future delivery, the carryover is large and may create a rather difficult situation when the new clip enters the market in a short time.

Wool buyers from the United States showed only slight interest in recent weeks, primarily because of the prices prevailing in the Uruguayan market.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

## *Miscellaneous Fibers*

### Ramie-Fiber Production for Algeria

Experiments with a new ramie-decorticating machine at one of the Algerian Government stations are reported so promising that ramie-fiber production will be undertaken on a commercial scale, says the British press. Both soil and climate in Algeria favor the growing of ramie but until now sowings have been spasmodic and on a very small scale, because there has been no efficient machinery to process the crop into fiber.

### Nettles as Substitute for Cotton?

Stinging nettles will be used as a substitute for cotton according to a Budapest, Hungary, report. A British periodical states that the Hungarian Ministry of Supply has directed the people to collect around 2,000 truck loads.

### Kenya Spurs Sisal Output

Determined efforts are being made to increase production of sisal in Kenya and Tanganyika, say British trade periodicals.

Mills are receiving regular supplies of this fiber and stocks are maintained without difficulty. A British periodical reports that the price of No. 1 sisal has remained steady at £34 per ton delivered.

### Kapok in Indochina

When Indochina was overrun by the Japanese forces, the plans of the French Government to promote fiber cultivation in its colonial empire—particularly Indochina—were seriously curtailed.

Even though kapok cultivation was begun only a few years ago, its annual production of 3,000 tons gained for Indochina the distinction of being the second largest producer in the world.

Another fiber obtained from "Thespesia lampas," of the *hibiscus* family, sometimes known as Polompom, was also being developed, according to a European press report. This rather small bush grows new shoots very rapidly, after each cutting, which greatly increases the yield. The fiber, which is extracted by retting, is considered an excellent substitute for jute, though it has a lower tensile strength. Improved methods of cultivation and preparation, however, may produce a more satisfactory fiber.

## *Wearing Apparel*

### Australia Converting Cast-Off Uniforms

About 15,000 cast-off servicemen's uniforms are being converted into suits and coats for Australian children.

Within the next few weeks about 100,000 of these garments will have been com-

pleted by voluntary workers and stored in depots in New South Wales, to be used for emergency distribution among possible evacuee and homeless children.

# Tobacco

CANADIAN PRODUCTION

Canadian production in 1941 amounted to 90,200,000 pounds, an increase of 47.5 percent over the 1940 figure. This bumper crop may be attributed mainly to phenomenally high yields of flue-cured leaf in Ontario. This figure has been exceeded only twice—in 1938 and 1939, when yields were 101,400,000 and 107,700,000 pounds, respectively.

The quality of the 1941 crop was, in general, slightly above that of the 1940 yield.

Acreage in 1941, amounting to 70,560, increased 4 percent over the 67,880 acres planted in the preceding year. The 1942 tobacco area is estimated at 75,000 acres, or 6 percent greater than that of 1941. Flue-cured leaf will predominate in 1942 production, especially in Ontario. While the 1941 burley acreage declined materially from that of 1940, the 1942 estimate shows a larger area allotted to this type. A decrease will be noted in the less important types—in some cases as much as 50 percent below 1941 plantings.

1942 allotments, in general, are up from last year's, the Flue-Cured Tobacco Marketing Association's allotments standing at 100 percent of those in 1939 (75 percent in 1941). Burley Marketing Association Allotments are also 100 percent of those in 1939 (65½ percent last year).

Plantings this year, however, are not up to allotments, Ontario growers cultivating only 55,000 of the allotted 61,900 acres. A decrease in dark tobacco plantings is expected. Only 8,000 of the 12,200 acres allotted by the Burley Marketing Association are reported planted. Though this acreage is slightly larger than in 1941, the weight of the 1942 crop is not expected to exceed that of last year, owing to heavy rains in some counties during June.

Quebec's are aof flue-cured tobacco—4,920 acres—is 10 to 15 percent less than last year's—5,200 acres—with a similar decrease in cigar leaf, which is offset by shifts to cigar types by pipe tobacco growers. British Columbia planters are growing only about 480 acres of flue-cured tobacco, compared with 650 in 1941.

Growers of flue-cured and burley tobacco readily sold all their 1941 crops last December and January and in addition disposed of practically all the 1939 surplus.

The entire cigar-leaf crop in the northern Quebec district was sold last winter, and the outlook on March 31 was good for marketing the crop from the southern district, orders placed on that date exceeding production. About two-thirds of the small and medium pipe crops and one-half of the large pipe crop had been sold by the end of the first quarter.

Prices paid to farmers for the 1941 crop averaged 20.5 cents per pound compared with an average of 17.1 cents per pound for the 1940 crop. Largest increase in price by type over last year was in Ontario where flue-cured was sold at 22.8 cents per pound compared with 20.8 a year ago.

Since Canadian consumption of unmanufactured tobacco is forecast at scarcely more than 65,000,000 pounds, farm weight, by the end of September, the 90,000,000-pound crop of 1941 will result in stocks of nearly 120,000,000 pounds, approximately 10,000,000 pounds larger than stocks last September. Record crops in recent years, plus the loss of export markets, explain the large stocks which, it is predicted, will remain at the close of the season.

Great Britain authorized the purchase of a total of 13,000,000 pounds of Canadian tobacco during the 1941–42 season. Of this amount, more than half had been shipped by March 31, 1942. To date, however, there is no definite assurance of an export market for the 1942 crop.

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# Federation of British Industries Cites Problems of Reconstruction

(Continued from p. 3)

## *Avoid Dangers of Bureaucracy*

The *eighth* submission is that during the immediate post-war period a measure of Government control over industry must be retained, to the extent and for the period which proves really necessary. Any suggestion for a more permanent system of the association of Government with industry should be fully discussed with industry and, if any such regulation is found justified on economic grounds, it should be carried out by agreement and in collaboration with industry itself. The danger of bureaucratic influence, and of the stifling of individual effort and of private enterprise, must be avoided.

The *ninth* submission is that British industry desires the prosperity of British agriculture which is necessary in the national interest but that the post-war planning of industry, in regard to both home and oversea trade, will be so vitally affected by the agricultural policy followed in Britain that it is essential, if industrial policy is to be on a sound basis, that a decision should be arrived at, with the least possible delay, as to what the future agricultural policy of the United Kingdom is to be.

## *Orderly Demobilization*

The *tenth* submission is that most careful consideration should be given to the problem of orderly demobilization, in order to avoid people being thrown on the labor market before it is ready to absorb them. Due regard should, however, be paid to the early demobilization of the people necessary to re-create the industrial and commercial machine, both at home and overseas.

The *eleventh* submission is that industry is prepared to reconsider all the implications of industrial organization, but the British Government on its side must define its attitude toward trade associations and should pursue a consistent policy toward them.

The *twelfth* submission is that, although it is premature to attempt to arrive at decisions on financial and monetary policy, it is recognized that this is an essential element in reconstruction both nationally and internationally; special importance is attached to stability of exchanges and to future financial policy being based primarily upon the interests of industry and commerce.

## *Home Market Power Essential*

The *thirteenth* submission is that the power of Britain's home market to consume the products of industry in the post-war period is an essential element in reconstruction. The British Government it is asserted should consider how this power can be maintained or developed as regards both consumer goods and capital equipment, and should take industry into the fullest consultation on the problems involved.

The *fourteenth* submission is that consideration of the main problems of policy raised in the Federation's report and knowledge of the British Government's views thereon, in order that industry may have full opportunity of expressing its opinion, constitute an essential first step in reconstruction, but will have to be followed by consideration of many problems, more of detail, but still of vital importance in industry.

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Paraguay's Government has ordered a rationing of gasoline for all vehicles. The Bureau of Industries and Commerce has been authorized to regulate the distribution of gasoline in the future and to impose heavy fines upon violators.

Don't Take Your Freedom for Granted
GUARD IT WITH WAR SAVINGS BONDS

# Good Neighbors' Progress:

## "Push Pan American Highway to Completion!" Expert Urges

The desirability of the rapid completion of the Pan American Highway was pointed out recently to delegates of the Inter-American Defense Board, meeting in Plenary Session, in an address by Lt. Col. E. E. Valentini, Technical Advisor to the Pan American Highway Confederation.

Pointing out the vital importance of such a highway during wartime, when other means of communication are curtailed, as a land route to South America, Colonel Valentini said: "The automobile has outstripped the railway as a means of terrestrial communication in the matter of short, small, intensely local hauls, both of passengers and freight. All systems of transportation have their place, all vital to the economy of a country—railways, airlines, river navigation, animal carried or drawn, motorcars—but the automobile is unique in its way, a statement which requires no elaboration.

"Every footpath or trail that is opened in Latin America so that it becomes passable to rubber-tired wheels, every dry-weather road converted into an *all-weather* road that is paved, is another means of supply within the country and another link unifying it—another tentacle in the road net of the country and, at the same time, another feeder for the Pan American Highway.

## Post-War Civilian Aviation Expansion in Western Hemisphere Foreseen

Trade and commercial circles are giving increased attention to growing prospects for a great increase in commercial aviation in the Western Hemisphere in the postwar period.

The transportation of merchandise by air has been highlighted by the formation in Washington of a special committee to study the use of big, long-range aircraft to carry war cargoes. This committee is headed by Harold E. Talbott, Deputy Director of the War Production Board in charge of aircraft. This, first of all, is a wartime project, but aviation authorities point out that it may lead to a broad post-war expansion.

South America, because of its vast land areas, its great mountain ranges and other barriers to land travel, and its general lack of railroads, is particularly suited to the wide development of air travel and transportation.

Senor Alfredo le los Rios, who is giving much time to an organization known as the Inter-American Escadrille, is enthusiastic regarding the prospect of increased air travel and transport in the post-war period. "The spacious distances of the Americas, the broad plains rising into towering mountain ranges, call for an Air Age in full flower," he said recently.

"The seed has been sown, and the plant grows sturdily. Now it leaps forward on the grim nourishment of war. Vast aircraft production facilities are being constructed in the United States, while Brazil, Mexico, and other countries in this hemisphere move toward a more active participation on the productive side. Hundreds of thousands of pilots will be trained for war work, and after the war many of them will have the urge to continue flying."

The Inter-American Escadrille is an organization whose object is to promote civilian flying in the Americas and to further cooperative air developments. Senor de los Rios, who recently returned from an aviation survey of South America, stated that the other American republics are eager to do their part to speed the progress of this new Air Age. They need only training planes and flying instructors in order that thousands of their enthusiastic young men and women can be trained to take their part.

The Inter-American Escadrille began with a small group of organizers who envisaged the enlisting of the energy and enthusiasm of the youth of the nations to "quicken the process of unifying the Americas" through a common interest in aviation. This vision, conceived in peace, now takes on the urgency of wartime.

The Escadrille has spread its "Wings"—or chapters—over most of the Americas, and has now established itself in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

The United States Wing plans to make available to the American republics the pilot-training techniques developed by the United States Civil Aeronautics Authority for civilian pilot training. Basic instruction manuals are being translated into Spanish and Portuguese for distribution to the Wings. Training will be carried on also through radio broadcasts, flying contests, and contests in airplane-model building.

## New Highway for Costa Rica?

American engineers may assist Costa Rica in building a roadway linking its northern and southern frontiers. A plan for the project, which would permit development of Costa Rica's rich interior agricultural zones, has been submitted by the United States Legation. It is believed that the roadway might be completed within a year.

## Trade Scholarships for Young Men of the Other Americas

Industrial and practical technical experience which young men of the other American republics can acquire in the United States will be of inestimable value, not only to themselves but to the future economic progress of their countries. This opinion is expressed by Señor Jorge Felix Tejada, of Bolivia. Señor Tejada is now working and studying in the United States under the auspices of the Inter-American Trade Scholarship program sponsored by the Office of Inter-American Affairs.

To date, 5 trade scholarship trainees have arrived from the republics to the south. They will be followed by 15 more—one from each of the other American republics. Student trainees already in the United States are: Fabio Leal, of Brazil; Mario Gutierrez, of Costa Rica; Jorge Felix Tejada, of Bolivia; Salvador Jeurequi, of El Salvador; and Paul Rey, of Haiti.

Senhor Leal is now learning the technique of oil refining. Young Gutierrez's father is a farmer, and so he is learning about dairy farming, corn planting, and other agricultural processes from a corporation in Des Moines, Iowa. Tejada is getting practical instruction in commercial banking from the United States Treasury Department, the Federal Reserve System, and, later, a bank and trust company in St. Louis, Mo. Señores Rey and Jaurequi have arrived only recently and are taking a basic training course before being assigned to private concerns.

Chile, Guatemala, Mexico, Nicaragua, Peru, Uruguay, and Venezuela already have named their representatives, and candidates have been submitted by all but four of the southern republics. Under the Trade Scholarship plan of the Office of Inter-American Affairs they will spend from 1 to 2 years in business organizations of the United States, fitting themselves for careers when they return to their homes.

The plan is not actually new. For years private industry has brought young men from the other American republics for practical training in their own business enterprises. Now the Office of Inter-American Affairs program supplements the work which private enterprise still does. The Trade Scholarship program makes certain that the trainee learns a business or trade which is useful to the development of his nation's resources.

Scholarships in many fields of economics and business are included—among which are railroading, communications, engineering, construction, manufacturing, commerce, mining, and many others. The program has met an enthusiastic response not only in the other American republics but in the United States as well.

A placement advisory committee consults frequently on the administration of the program.

## American Republics To Grow More Fibers

An effort to develop new sources of fibers in this hemisphere has been started by United States Government agencies in cooperation with the other Americas.

As part of this program, the Board of Economic Warfare recently sent a mission around the Caribbean to investigate possibilities of increasing fiber supplies. The itinerary of this mission included Cuba, Haiti, Venezuela, and Colombia. Mexico and Central America also may become more important in the hemisphere fiber-supply picture, now that former imports of such fibers as manila hemp from the Far East have been eliminated.

The United States has accumulated substantial stock piles of fibers. But, looking ahead, the Americas now must prepare for expansion of fiber production. Without fibers, war industry and essential civilian needs would be severely handicapped. From fibers comes the material for twine, cables, ropes and threads for shipbuilding, farming, fishing, and for bags and sacks.

Harry T. Edwards, in charge of U. S. Department of Agriculture research on plant fibers other than cotton, points out that there are nearly 2,000 recognized species of plants yielding fibers. Many of these grow in the Americas to the south.

Now getting most attention in development of hemisphere supply sources are the hard fibers—abaca (source of manila hemp), sisal, and henequen. These fibers are used for making cordage, especially cordage requiring strength and durability. Soft-fiber production plans center mainly on flax, hemp, and jute. These soft fibers are used in fine and coarse textile fabrics, in many kinds of cords, twines, and threads.

Mr. Edwards points out that the other American republics, while relatively self-sufficient in food, have never gone in heavily for the production of fibers in competition with low-cost producing areas of the Far East. On the contrary, this hemisphere has been a big importer of fiber materials, except cotton and henequen.

The war in the Pacific and Japanese invasion of fiber-growing areas in the South Pacific have forced the Americas to begin aggressive planning for the development of supplies closer to home. An illustration of this development is the proposal to convert thousands of acres of abandoned banana plantations in Central America to the growing of abaca. Also, a recent agreement was made with Haiti to double sisal production.

The Americas also are beginning to experiment with the growing of jute—the world's most important soft fiber. Most jute for the manufacture of burlap and other coarse fabrics used in bagging and sacks comes from the Province of Bengal, India. Bengal farmers annually have turned out about 2,000,000 tons of jute fiber. Now, with war menacing India and the shipping shortage hampering imports, Argentina has planted more than 30,000 acres of jute.

Malva, which grows wild in Venezuela, Cuba, Haiti, and Colombia, is regarded by some fiber experts as the most promising substitute for jute. The Export-Import Bank may grant financial aid for the expansion of facilities to develop malva for bag weaving. Hundreds of millions of sacks and yards of bagging material made from Indian jute are used every year in the Americas to handle grain, cotton, coffee, sugar, and other commodities. Consequently, maintaining a large stock-pile of bagging material is essential.

Realizing this need, fiber technicians are studying production possibilities of numerous lesser-known plants which could be used with jute or in place of it. Until some of the cheaper fibers become available in larger supply, the Americas could meet an emergency by more extensive use of cotton bagging.

Central America is regarded as a promising area for the production of fibers. Plans for growing 20,000 acres of abaca in Costa Rica and Panama have turned attention to opportunities for further expansion of fiber plantations. In fact, fiber-growing possibilities of the Americas are so great, it appears to be only a matter of time and organization to make the hemisphere self-sufficient in fiber requirements. Such development, however, would mean a shift of thousands of workers from other activities into fiber growing and preparation.

Hand labor in the preparation of the fiber for manufacturing use is a major cost factor. India, the Philippines, and other areas with large low-cost labor reserves have had a competitive advantage over the Americas in world export markets. But this obstacle in post-war competition for markets might be summounted by wider use of improved machinery.

For countries like Haiti, fiber growing for the great United States market is a welcome opportunity to diversify exports. Thus, given a good start in wartime, fibers may add another profitable support to expanding inter-American trade.

## Argentina's Hog Industry Growing

The growing of hogs in Argentina—a relatively new agricultural industry for that country—is reported thriving because of the low price of corn and the heavy export demand for pork. While Argentina does not rank among the largest hog-producing nations in the world, it is believed (says the U. S. Department of Agriculture) that Argentine hog production will continue to expand so long as there is a large corn surplus and pork prices are high.

**Wartime Ingenuity · Is Already Shaping Peacetime Miracles**

## New Brazilian Manganese and Iron Syndicate

Miners, producers, and exporters of manganese and iron ore exporting through the port of Rio de Janeiro, Brazil, have formed a syndicate known as the Sindicato Nacional dos Productores e Exportadores de Minerio de Ferro e Manganes.

Functions of the syndicate include sampling and analyzing manganese and iron ore shipped through the port; keeping a record of the movement of ore from the mines into the boats; and making recommendations to the Central Railroad on the allotment of car movement, in the best interests of all the syndicate members, on the basis of ore available, boats expected, and other variables.

## Sao Paulo Conserves "Gas"

Residents of the great city of Sao Paulo, Brazil, are reported to be showing themselves as "solidly behind Brazil's plea for gasoline conservation"—with 3,000 private motorists voluntarily yielding their gasoline rationing cards so that hospitals and doctors can keep their cars running.

## Coal Deposits Discovered in Neuquen Territory

The efforts of Argentina to single out and develop its natural resources, because of current shipping shortages, has reportedly led to at least one important discovery. A State-owned petroleum corporation has revealed that coal fields found in the Territory of Neuquen may possibly be the richest deposits yet found in South America.

## Fertilizers for Colombia

The National Congress of Colombia has passed a law providing for the investigation of basic materials for fertilizer uses and for the manufacture of fertilizers. The Colombian Government will invest 500,000 pesos in the enterprise.

## Argentina Controls Rubber, Iron

Argentina is taking vigorous steps to insure the continued manufacture of rubber and iron articles which are essential to national defense. The Ministry of Agriculture has taken over one-fifth of industrial rubber supplies. And all iron stocks have been placed under Government supervision.

## Brazil's "Goa Powder"

In the cavities of the trunk of the "Vouacapoua araroba," a tree growing in the damp forests of the State of Bahia, Brazil, is found a yellow powder used in the treatment of ringworm, eczema, and other skin affections. The virtues of this substance—"goa powder," as it is called—have been known to Brazilians for a long time.

# European, Far Eastern, and Other Exchange Rates

NOTE.— *For Latin American Rates See Opposite Page*

COMPILED IN INTERNATIONAL ECONOMICS UNIT

## NEW YORK RATES REPORTED BY FEDERAL RESERVE BOARD

| Country | Unit quoted | Annual average rate | | Monthly average rate | | Rate on July 31, 1942 |
|---|---|---|---|---|---|---|
| | | 1939 | 1940 | May 1942 | June 1942 | |
| Australia | Pound (free) | *$3.5338 | $3.0516 | $3.2150 | $3.2150 | $3.2150 |
| | Pound (official) | | 3.2280 | 3.2280 | 3.2280 | 3.2280 |
| Canada | Dollar (free) | .9602 | 8514 | .8856 | .8996 | .8988 |
| | Dollar (official) | | 9091 | .9091 | .9091 | .9091 |
| Hong Kong | Dollar | .2745 | 2296 | (†) | (†) | (†) |
| India | Rupee | *.3328 | 3016 | .3012 | .3012 | .3012 |
| New Zealand | Pound | 3.5482 | 3.0638 | 3.2278 | 3.2278 | 3.2278 |
| Straits Settlements | Dollar | *.5174 | .4698 | (†) | (†) | (†) |
| Union of South Africa | Pound | *4.4017 | 3.9800 | 3.9800 | 3.9800 | 3.9800 |
| United Kingdom | Pound (free) | 4.4354 | 3.8300 | 4.0350 | 4.0350 | 4.0350 |
| | Pound (official) | | 4.0350 | 4.0350 | 4.0350 | 4.0350 |

## OFFICIAL RATES IN FOREIGN COUNTRIES

[New York rates not currently available]

| Country | Official rate | Equivalent in United States dollars of unit quoted | Annual average rate [1] | |
|---|---|---|---|---|
| | | | 1938 | 1939 |
| Afghanistan | 4 Afghanis=1 rupee | $0.0753 | | |
| Belgian Congo | 44.25 Congolese francs=$1.00 | .0226 | | |
| Belgium | 1 belga=RM 0.4000 | [2].1600 | $0.1689 | $0.1685 |
| Bulgaria | 1 lev=RM 0.0305 | [2].0122 | *.0124 | [3]*.0121 |
| China (Shanghai) | 1 yuan=$0.0531 | [4].0531 | *.2136 | *.1188 |
| China—Manchuria | 1 M. yuan=1 yen | .2344 | *2845 | 2596 |
| Czechoslovakia: | | | | |
| Bohemia-Moravia | 1 koruna=RM 0.10 | [2].0400 | *.0347 | [3]*.0343 |
| Slovakia | 1 Slovak crown=RM 0.0860 | [2].0344 | *.0347 | *.0343 |
| Denmark | 4.79 kroner=$1.00 | .2088 | .2183 | 2035 |
| Egypt | £E0.24072=$1.00 | 4.1542 | [5]5.0130 | [6]4.5463 |
| Finland | 49.35 markkaa=$1.00 | .0203 | .0216 | *.0199 |
| France: | | | | |
| Occupied area | 1 franc=RM 0.0500 | [2].0200 | .0288 | 0251 |
| Unoccupied area | 43.90 francs=$1.00 | .0228 | .0288 | 0251 |
| French Indochina | 1 piaster=$0.2269 | .2269 | [7].2880 | [7].2510 |
| Germany | RM 2.50=$1.00 | .4000 | *.4006 | *.4002 |
| Greece | 1 drachma=RM 0.0167 | [2].0067 | .0090 | .0082 |
| Hungary | 5.13 pengo=$1.00 | .1949 | .1973 | .1924 |
| Iceland | 6.505 kroner=$1.00 | .1537 | | |
| Iran | 35 rials=$1.00 | .0286 | | |
| Iraq | 1 dinar=£1 sterling | 4.0350 | [8]4.8894 | [8]4.4354 |
| Italy | 19 lire=$1.00 | .0526 | .0526 | .0520 |
| Japan | 1 yen=$0.2344 | .2344 | .2845 | .2596 |
| Netherlands | 1.8838 guilders=$1.00 | .5308 | .5501 | .5334 |
| Netherlands Indies | 1.8925 guilders=$1.00 | .5284 | [9].5501 | [9].5334 |
| Newfoundland | $1.10 Newfoundland=$1.00 | .9091 | .9942 | .9602 |
| Norway | 4.375 kroner=$1.00 | .2286 | .2457 | .2327 |
| Palestine | £P1=£1 sterling | 4.0350 | [8]4.8894 | [8]4.4354 |
| Poland ("General Governorship") | 1 zloty=RM 0.5000 | [2].2000 | .1886 | [3].1884 |
| Portugal | 24.55 escudos to the dollar (checks) | .0409 | .0433 | .0404 |
| | 15 escudos to the dollar (currency) | .0667 | | |
| Rumania | 191.30 lei=$1.00 | .0052 | *.0073 | [11]*.0071 |
| Spain | 10.95 pesetas=$1.00 | .0913 | *.0560 | *.0999 |
| Sweden | 4.20 kronor=$1.00 [12] | .2381 | .2399 | 2380 |
| Switzerland | 4.31 francs=$1.00 | .2320 | .2253 | 2268 |
| Syria | 2.195 pounds=$1.00 | .4556 | [7].5760 | [7].5020 |
| Thailand (Siam) | 11 bahts=£1 sterling | .3659 | .4445 | .4032 |
| Turkey | £T1=$0.75 | .7500 | .8011 | .8024 |
| U. S. S. R. | 5.30 rubles=$1.00 [13] | .1887 | | |
| Yugoslavia: | | | | |
| Croatia | 1 kuna=RM 0.0500 | [2].0200 | *.0231 | [11]*.0227 |
| Serbia | 1 dinar=RM 0.0500 | [2].0200 | *.0231 | [11]*.0227 |

*Nominal †Not available.

[1] Averages are in dollars per unit of foreign currency and are based on daily quotations of noon buying rates for cable transfers in New York City as reported by the Federal Reserve Board.

[2] Based on German official rate for United States dollar.

[3] Average for first 8 months only.

[4] Rate set Aug. 18, 1941 by Chinese Stabilization Board.

[5] Average for first 3 months only.

[6] Based on average for pound sterling.

[7] Based on average for French franc.

[8] Average for Netherlands guilder.

[9] Official rate in London.

[10] Based on official rate for pound sterling.

[11] Average for January–August and November–December.

[12] Official selling rate: the official cable rate is 4.18 kronor=$1, and the air transfer rate is 4.15 kronor=$1.

[13] For foreign-trade valuation purposes only.

Quotations not available after Feb. 16, 1942.

## *Contributors' Column*

*Donald R. Crone.*—See issue of May 30.

*Edwin W. James.*—Civil engineer. Born October 17, 1877, Ossining, N. Y. Educated Ossining High School (1893); Suffield Academy (1895); Phillips Exeter Academy (1897); Harvard University (A. B., cum laude, 1901); Massachusetts Institute of Technology (2 years special study). Now Chief, Inter-American Regional Office, U. S. Public Roads Administration, Federal Works Agency. Author of "Foundation and Drainage of Country Roads," "Highway Construction and Finance," and about 150 other technical articles. Member numerous scientific organizations. Technical adviser to American delegation at International Convention on Automobile Circulation, Paris, France, 1926. Delegate to many highway conferences and congresses abroad. Received Belgian Award, Sixth International Road Congress, 1930. Member Consejo de Vias de Comunicaciones, and Consulting Highway Expert to Republic of Colombia, 1929–30. In charge of surveys and construction on the Inter-American Highway for the U. S. Public Roads Administration.

## Latin-American Manganese

Latin-American manganese assumes increasing importance to the United States as a result of the effect of the war in the Black Sea and Indian Ocean upon our chief pre-war sources—the Soviet Union and India. During World War I Latin-American producers assisted in overcoming the manganese shortage in the United States. It is to be expected, therefore, that a keen interest will be manifested in the United States in the development of Western Hemisphere manganese mining.

In addition to being the most important Latin-American producer of manganese, Brazil presents the best prospects for further development. Manganese is found in a number of Brazilian States, but has been developed only in Minas Gerais, Bahia, and Matto Grosso; the latter two groups of mines have been idle for 10 years and those in Minas Gerais have been worked far below capacity.

A recent British press comment notes that exports of manganese ore from Brazil in 1940 amounted to 217,300 metric tons, compared with 254,000 tons in 1937 and the record high of 542,000 tons in 1917. Repetition of the 1917 production peak is conditioned upon bringing developed mines back into production, doing further development work, and improving the rolling stock of the Brazilian Central Railway, which transports the bulk of the ore to Rio de Janeiro.

Cuba, with fairly extensive manganese deposits in the Province of Oriente, is reportedly able to produce more than 250,000 metric tons of manganese ore a year. Looking toward further expansion, the Cuban Mining Federation is said to be attempting to secure a change in

specifications of the Metals Reserve Company which call for 45 percent manganese content, because Cuban ore averages 40 percent.

Rich manganese deposits in Chile, notably in the Provinces of Atacama and Coquimbo, have not been extensively developed, production on a large scale having taken place only in the early years of the century, during World War I, and in the last few years. While production in 1940 was reported at slightly less than 20,000 tons, a survey indicates that annual production could be raised to 100,000 tons of high-grade ore a year if concentration methods were improved. This is chiefly a matter of adequate financial and technical help, in the view of informed commentators.

While it cannot be expected, perhaps, that production in Latin America can fully meet the manganese needs of the United States, adverse effects of the loss of ore from the Soviet Union and possible curtailment of Indian ore can be greatly alleviated by increased production in Latin America.

## Sweden's Metals-and-Minerals Trade

Imports of metals and minerals (including coal) into Sweden during the period January–April 1942 were valued at 93,100,000 crowns, compared with a value of 116,500,000 crowns during the comparable period of the preceding year.

Exports during the first 4 months of 1942 in the minerals and metals group (comprising almost exclusively iron ore) amounted to only 105,300,000 crowns; during January–April 1941 the value of such exports was 146,000,000 crowns.

## Television for South Africa?

The South African Broadcasting Corporation is considering the inauguration of television service, according to the press, as part of an improvement program which, if completed, will cost approximately £250,000. The Corporation is also considering erecting new buildings in Capetown and Durban if necessary materials can be obtained.

## Exploration of India's Potential Minerals

Establishment of a branch of the Indian Geological Survey, to explore India's war potential in minerals, has been announced in official press reports of that country.

Under the supervision of the Director of the Geological Survey, the new Utilization Branch will demonstrate the practicability of establishing the production of minerals, ores, and metals not previously fully used. The work will involve such operations as the proving of deposits, mining on a small scale, and the construction and operation of experimental and pilot plants for smelting. The plan is to continue experiments until large-scale production can be undertaken by an ordnance factory or a commercial firm.

# *Latin American Exchange Rates*

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency per dollar, with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to 1 dollar.

| Country | Unit quoted | Type of exchange | Annual average rate | | Average rate | | Latest available quotation | |
|---|---|---|---|---|---|---|---|---|
| | | | 1940 | 1941 | Apr. 1942 | May 1942 | Rate | Date |
| Argentina | Paper peso | Official A | 3.73 | 3.73 | 3.73 | 3.73 | 3.73 | July 16 |
| | | Official B | 4.23 | 4.23 | 4.23 | 4.23 | 4.23 | Do. |
| | | Bid | | 4.88 | | | 4.94<br>4.95 | July 14 |
| | | Free market | 4.37 | 4.24 | 4.23 | 4.24 | 4.24 | July 16 |
| Bolivia | Boliviano | Controlled | 39.09 | 43.38 | 46.46 | 46.46 | 46.46 | June 30 |
| | | Compensation | [1] 53.83 | [2] 55.00 | | | | |
| | | Curb | 56.71 | 54.02 | 49.25 | 50.00 | 51.50 | ([12]) |
| Brazil | Milreis | Official ([3]) | 16.500 | 16.500 | 16.500 | 16.500 | 16.500 | July 18 |
| | | Free market | 19.789 | 19.717 | 19.650 | 19.650 | 19.650 | Do. |
| | | Special free market | 20.700 | 20.678 | 20.500 | 20.500 | 20.500 | Do. |
| | | Curb | 21.421 | 20.298 | 19.751 | 19.757 | 20.500 | Do. |
| Chile | Peso | Official | 19.37 | 19.37 | 19.37 | 19.37 | 19.37 | July 3 |
| | | Export draft | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | Do. |
| | | Curb market | 33.04 | 31.78 | 30.34 | 30.53 | 31.10 | Do. |
| | | Free | 31.05 | 31.15 | 31.15 | 31.15 | 31.15 | Do. |
| | | Gold exchange | 31.05 | 31.15 | 31.15 | 31.15 | 31.15 | Do. |
| | | Mining dollar | [4] 31.13 | 31.15 | 31.15 | 31.15 | 31.15 | Do. |
| | | Agricultural dollar | | [4] 31.15 | 31.15 | 31.15 | 31.15 | Do. |
| Colombia | do | Controlled | 1.75 | 1.7545 | 1.75 | 1.75 | 1.75 | July 11 |
| | | Bank of Republic | 1.755 | 1.755 | 1.755 | 1.755 | 1.755 | Do. |
| | | Stabilization Fund | ([4]) | ([4]) | ([4]) | ([4]) | ([4]) | |
| | | Curb | 1.88 | 1.86 | 1.76 | 1.76 | 1.77 | July 11 |
| Costa Rica | Colon | Uncontrolled | 5.70 | 5.85 | 5.82 | 5.72 | 5.65 | July 13 |
| | | Controlled | 5.62 | 5.62 | 5.62 | 5.62 | 5.62 | Do. |
| Cuba | Peso | Free | .90 | .975 | 1.00 | 1.00 | 1.00 | July 11 |
| Ecuador | Sucre | Central Bank (Official) | [5] 16.42 | 15.00 | 14.93 | 14.10 | 14.10 | July 4 |
| | | Central Bank (Free) | [6] 15.44 | | | | | |
| | | Commercial Bank | [6] 15.73 | | | | | |
| Honduras | Lempira | Official | 2.04 | 2.04 | 2.04 | 2.04 | 2.04 | July 11 |
| Mexico | Peso | Free | 5.40 | 4.86 | 4.86 | 4.86 | 4.85 | July 18 |
| Nicaragua | Cordoba | Official | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | Do. |
| | | Curb | 6.36 | 5.93 | 5.34 | 5.42 | 5.18 | Do. |
| Paraguay | Paper peso | Official | [7] 70.00 | | 333.00 | 333.00 | 333.00 | July 4 |
| | | Free | [8] 75.35 | ([10]) | | | | |
| Peru | Sol | do | 6.17 | 6.50 | 6.50 | 6.50 | 6.50 | July 4 |
| Salvador | Colon | do | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | Do. |
| Uruguay | Peso | Controlled | 1.899 | 1.899 | 1.899 | 1.899 | 1.899 | July 11 |
| | | Free | 2.66 | 2.31 | 1.90 | 1.90 | 1.90 | Do. |
| Venezuela | Bolivar | Controlled | 3.19 | 3.26 | 3.35 | 3.35 | 3.35 | July 4 |
| | | Free | [11] 3.46 | [11] 3.76 | 3.54 | 3.41 | 3.35 | Do. |

[1] Mar. 16–Dec. 31
[2] For commitments of the Government only.
[3] Established on July 13.
[4] For Class 2 merchandise, 1.795; Class 3, 1.87; Class 4 1.95.
[5] June–December.
[6] January–May.
[7] Paraguayan pesos to 1 Argentine peso
[8] Jan. 1–June 20.
[9] Established Mar. 25.
[10] Abolished on Feb. 10.
[11] Jan. 1–June 25.
[12] July 24–Dec. 31
[13] Middle of June.

NOTE.—Special rates apply to automotive equipment and agricultural machinery, imported from the United States into Argentina.

# Announcements Under the Reciprocal Trade Agreements Act

## *United States Announces Intention To Negotiate With Iran*

PUBLIC NOTICE BY THE DEPARTMENT OF STATE

TRADE AGREEMENT NEGOTIATIONS WITH IRAN

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An act to amend the Tariff Act of 1930," as extended by Public Resolution 61, approved April 12, 1940, and to Executive order 6750, of June 27, 1934, I hereby give notice of intention to negotiate a trade agreement with the Government of Iran.

All presentations of information and views in writing and applications for supplemental oral presentation of views with respect to the negotiation of such agreement should be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee concerning the manner and dates for the submission of briefs and applications and the time set for public hearings.

CORDELL HULL,
*Secretary of State.*

WASHINGTON, D. C., *July 29, 1942.*

### PUBLIC NOTICE BY THE COMMITTEE FOR RECIPROCITY INFORMATION

#### TRADE AGREEMENT NEGOTIATIONS WITH IRAN

*Closing date for submission of briefs, August 27, 1942; closing date for application to be heard, August 27, 1942; public hearings open, September 9, 1942*

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, in regard to the negotiation of a trade agreement with the Government of Iran, of which notice of intention to negotiate has been issued by the Secretary of State on this date, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, August 27, 1942. Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C."

A public hearing will be held, beginning at 10 a. m. on September 9, 1942, before the Committee for Reciprocity Information, in the hearing room of the Tariff Commission in the Tariff Commission Building, where supplemental oral statements will be heard.

Six copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 29th day of July 1942.

E. G. MARTIN,
*Acting Secretary.*

WASHINGTON, D. C., *July 29, 1942.*

#### SCOPE OF REPRESENTATIONS

#### LIST OF IRANIAN PRODUCTS SUBJECT TO POSSIBLE CONCESSIONS BY THE UNITED STATES

A list of products which will come under consideration for the possible granting of concessions to Iran by the Government of the United States was issued in connection with the Department of State's announcement. The release also explains that interested persons who may wish to make representations to the Committee for Reciprocity Information need not confine their requests to articles appearing on this list, but may discuss any article of actual or potential interest in the import and export trade of the United States with Iran. However, only the articles contained in this list or in any supplementary list issued later will come under consideration for the possible granting of concessions by the Government of the United States.

[Copies of the announcement and list, as well as a table showing United States trade with Iran, may be obtained upon request from the Bureau of Foreign and Domestic Commerce, or from any of its Regional or District Offices, and from the Committee for Reciprocity Information or the Department of State.]

# Trade Agreement Calendar

## Trade Agreements Signed

| Country | Date signed | Date effective |
|---|---|---|
| Cuba | Aug. 24, 1934 | Sept. 3, 1934 |
| Belgium | Feb. 27, 1935 | May 1, 1935 |
| Haiti | Mar. 28, 1935 | June 3, 1935 |
| Sweden | May 25, 1935 | Aug. 5, 1935 |
| Brazil | Feb. 2, 1935 | Jan. 1, 1936 |
| Canada (see revised agreement below) | Nov. 15, 1935 | Do. |
| Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curaçao) | Dec. 20, 1935 | Feb. 1, 1936 |
| Switzerland | Jan. 9, 1936 | Feb. 15, 1936 |
| Honduras | Dec. 18, 1935 | Mar. 2, 1936 |
| Colombia | Sept. 13, 1935 | May 20, 1936 |
| Guatemala | Apr. 24, 1936 | June 15, 1936 |
| France and its colonies, dependencies, and protectorates other than Morocco | May 6, 1936 | Do. |
| Nicaragua [1] | Mar. 11, 1936 | Oct. 1, 1936 |
| Finland | May 18, 1936 | Nov. 2, 1936 |
| El Salvador | Feb. 19, 1937 | May 31, 1937 |
| Costa Rica | Nov. 28, 1936 | Aug. 2, 1937 |
| Czecho-Slovakia [2] | Mar. 7, 1938 | Apr. 16, 1938 |
| Ecuador | Aug. 6, 1938 | Oct. 23, 1938 |
| United Kingdom, including Newfoundland and the British Colonial Empire | Nov 17, 1938 | Jan. 1, 1939 |
| Canada (revision of agreement of 1935) | ....do.... | Do. |
| Turkey | Apr. 1, 1939 | May 5, 1939 |
| Venezuela | Nov. 6, 1939 | Dec. 16, 1939 |
| Cuba (supplementary agreement) | Dec. 18, 1939 | Dec. 23, 1939 |
| Canada (supplementary agreement) | Dec. 30, 1939 | Jan. 1, 1940 |
| Canada (supplementary agreement) | Dec. 13, 1940 | Dec. 20, 1940 |
| Argentina | Oct. 14, 1941 | Nov. 15, 1941 |
| Cuba (supplementary agreement) | Dec. 23, 1941 | Jan. 5, 1942 |
| Peru | May 7, 1942 | July 29, 1942 |
| Uruguay | July 21, 1942 | [3]. |

[1] Certain provisions of the trade agreement ceased to be in force as of Mar. 10, 1938.

[2] The operation of this agreement was suspended as of Apr 22, 1939

[3] Thirty days after exchange of instrument of ratification and proclamation.

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act, has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 5¢ cents per copy.]

## Countries With Which Intention To Negotiate Has Been Announced

| Country | Date of issuance of notice | Latest date for submitting written statements | Date for oral presentation of views |
|---|---|---|---|
| Chile | Oct. 2, 1939 | Nov. 11, 1939 | Nov. 27, 1939 |
| Iceland | Nov. 17, 1941 [4] | Dec. 8, 1941 | Dec. 15, 1941 |
| Bolivia | April 4, 1942 | May 4, 1942 | May 18, 1942 |
| Mexico | April 4, 1942 [5] [6] | May 4, 1942 | May 18, 1942 |
| Iran | July 29, 1942 | Aug. 27, 1942 | Sept. 9, 1942 |

[4] Supplementary announcement, Nov. 19, 1941; briefs to Dec. 8, 1941; public hearings, Dec. 15, 1941.

[5] Supplementary announcement, April 11, 1942; briefs to May 4, 1942; public hearings, May 18, 1942.

[6] Second supplementary announcement, April 21, 1942 briefs to May 11, 1942; public hearings, May 18, 1942.

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time or giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

# *Trade Mark Applications*

*Brazil.*—The following applications for trade-mark registration were published on the dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from date of publication.

| Trade-mark | Class No. and commodity | Date of publication |
|---|---|---|
| | | 1942 |
| Flotex | No. 39—Treated spongy rubber. | July 3 |
| Vitex | No. 1—Chemical substances used in the industries; anticorrosive chemical substances used in analysis and researches.<br>No. 2—Chemical substances used in agriculture and horticulture; chemical substances used by veterinarians and for sanitary purposes.<br>No. 4—Animal substances in raw or partially prepared in the industries, not specifically described in the other classes; vegetable substances raw or partially prepared in the industries, not specifically described in the other classes; mineral substances in raw or partially prepared in the industries, not specifically described in the other classes.<br>No. 41—Foodstuffs derived from animals, vegetables, canned or not; nourishing ingredients and preparations of substances for those purposes, canned or not, except vitamin "D."<br>No. 43—Nonalcoholic beverages, as follows: mineral waters, refreshments, tonic waters, soda, lemonades, orangeades, soft drinks, grape juice, matte, and ginger ale.<br>No. 48—Perfumery and perfumed soaps; preparations for cleaning and preserving teeth and hair, and brushes for the same purposes; combs and other dressing table articles, not specified. | Do. |

| Trade-mark | Class No. and commodity | Date of publication |
|---|---|---|
| | | *1942* |
| Niagara | No. 8—Radio sets and loudspeakers. | July 6 |
| "Grand Slam" | No. 11—Can openers, penknives, chip-axes, sickles, knives, blades, axes and scissors, etc. | July 10 |
| California—Industria Brasileira. | No. 49—Dressing articles exclusively for sporting purposes. | July 14 |
| Anchor | Metallic bolts, specially sliding ones. | Do. |
| Picture of anchor | do | Do. |
| Falchi pipper Hortelã. | Sweets, candies, drops, chocolate, bonbons, caramels, and sweets made with sugar and cocoa. (Recovered colors—green, red and blue on white.) | July 17 |

*Chile.*—The following applications for trade-mark registration were published in the Diario Oficial of Santiago. Opposition must be filed within 30 days from the date of publication.

| Trade-mark | Class No. and commodity | Date of publication |
|---|---|---|
| | | 1942 |
| Atlas | No. 4—Metals, locksmith work, ironmongery. | July 15 |
| Vulcano | No. 12—Caoutchouc, guttapercha, cork. | Do. |
| Aut-O-Pep | No. 19—Oils, lubricating grease, etc. | Do. |
| Inca; Atlas | No. 20—Adhesive, paint, varnish, paste. | Do. |
| Whitin; Globe | No. 28—Hand tools, cutlery, sidearms. | Do. |
| Whitin; Atlas | No. 29—Machines for spinning, weaving, knitting, etc. | Do. |
| Standard Electric; Flux. | No. 30—Service apparatus, hygienic and cleaning. | Do. |
| Gamewell; Standard Electric. | No. 32—Heating, lighting, and ventilating apparatus, etc. | Do. |
| Standard Electric | No. 34—Refrigerators, filters, etc. | Do. |
| Gamewell; Whitin | No. 36—Machinery and vehicles. | Do. |
| Gamewell; Standard Electric. | No. 37—Telegraph, telephone, radio, signals. | Do. |
| Colo-Colo | No. 40—Containers of wood, cardboard, paper, etc. | Do. |
| Babyland | No. 42—Furniture of wood and iron, etc. | Do. |
| Eureka | No. 50—Footwear | Do. |
| Margarina | No. 59—Edible fats | Do. |
| Estrella | | |
| Babyland | No. 72—Apparatus and articles of sport, games, and toys. | Do. |
| Cindol, Cetidon, Limitan, Inca, Animativ, Digestonico Del Doctor Vicente, Aut-O-Pep, Vulkacit, Silimax, Ascorbicil, Ascorbinol, Ascorbat, Ascorvit, Privin, Lysoformo, S, Baquenos, Budnia, Bandatin, Brygena, Bryrel, Conmel, Doldonos, Dulvedena, Durdos, Falmonox, Fargenta, Gestanon, Havinden, Namuron, Padrax, Randonos, Sedgena, Tripuon, Farmoquina, Farmolan, Farmoquil, Farmicol, Famis, Farmodal, Regulin Gesteira, Lactacid, Koumisan, Kephyrol, Renabil Lab. Chile, Diurhepal Lab. Chile, Hepaxol Lab. Chile, Icterol Lab. Chile, Litiazol Lab. Chile, Litiacol Lab. Chile, Klimocol Lab. Chile, Heximan, Eifadol. | No. 75—Chemical and pharmaceutical products. | Do. |
| Gamewell | No. 78—Watches and chronometers. | Do. |
| Gamewell | No. 80—Acoustic and musical instruments. | Do. |
| Gamewell | No. 81—Articles of writing, printed placards, not periodicals. | Do. |

*Panama.*—The following application for the registration of trade-marks was published in the Gaceta Oficial of Panama on the dates specified. Opposition must be made within 90 days after date of publication.

| Trade-mark | Commodity | Date of publication |
|---|---|---|
| | | *1942* |
| Hammermill | Writing paper, superfine writing paper, "Bond" paper, accounting paper, envelopes, and tablets. | July 13. |
| Seaforth | Shaving lotion, deodorant, talcum powder, and toilet water. | Do. |
| Seaforth | Shaving cream and toilet soap. | Do. |
| Rancho | Canned soups (vegetable, tomato, pea, and asparagus.) | Do. |

*Uruguay.*—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from date of publication.

| Trade-mark | Product | Date of publication |
|---|---|---|
| | | *1942* |
| Standard | Cigars, cigarettes, tobacco, etc. | July 9 |
| Madison | Classes 4, 5, 10, 13, 14, 15, 18, and 22. | July 11 |
| Firmetex | Textile, drygoods, ready-to-wears, etc. | July 15 |
| Firmecord | do | Do. |
| Firmbric | do | Do. |
| Firmecrep | do | Do. |
| Firmelin | do | Do. |
| Firmavera | do | Do. |
| Port Huron | Electrical goods | July 14 |
| Carbobepsin | Drugstore and chemical products. | Do |

## Mineral Activity in Switzerland

To fully utilize the mineral resources of Switzerland, that country's Department of Public Economy has been authorized (says the British press) to issue regulations and supervise prospecting, extraction, and processing of all minerals.

The Department is also authorized to carry on prospecting, regardless of existing rights and concessions, and, where indispensable to the supply of the Army or civil population, to expropriate and arrange for the utilization of mineral resources and installations which are either inefficiently utilized or unexploited.

# *New Books and Reports*

• The following publications, added to the Department's research facilities through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

*Articles of Current Interest Appearing in the Department of State Bulletin, August 1, 1942.*

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, $2.75 a year. The August 1 issue contains these articles.

THE WAR AND HUMAN FREEDOM:
Address by Secretary of State.

MUTUAL AID AGREEMENT WITH YUGOSLAVIA:
Joint Statement by the President and the King of Yugoslavia.
Signing of Agreement.

NATIVES AND CITIZENS OF HUNGARY, RUMANIA, AND BULGARIA IN THE UNITED STATES.

PROCLAIMED LIST, SUPPLEMENT 4 TO REVISION II.

RUBBER AGREEMENT WITH ECUADOR.

VISIT TO THE UNITED STATES OF VENEZUELAN ARCHIVIST.

VISIT TO THE UNITED STATES OF BRAZILIAN HISTORIAN.

RESIGNATION OF AMBASSADOR LEAHY.

FOREIGN SERVICE PERSONNEL CHANGES.

*Other Publications*

TRADE AGREEMENT BETWEEN THE UNITED STATES AND ARGENTINA. United States Tariff Commission. 1942. 283 pp. Processed. Consists of digests of information concerning products on which concessions were granted by the United States in the trade agreement with the Argentine Republic signed October 14, 1941. Includes an analysis of the agreement, a statement of Argentina's economy, and data relating to trade between the United States and Argentina.

*Available from:* U. S. Tariff Commission, Washington, D. C.

INDUSTRY IN SOUTHEAST ASIA. Jack Shepherd. 1941. 133 pp. Price, 75 cents. Discusses industrial development in Indochina, Netherlands Indies, Philippine Islands, including a brief general outline of industrial development in Tai-

(Continued on p. 39)

# U. S. Export Control and Related Announcements

Developments communicated to the Adviser on Trade Controls up to Tuesday, August 4, 1942:

**No. 397—*Current Controls Bulletin No. 39.***

The Office of Exports has issued Current Controls Bulletin No. 39 covering the following items:

*I. General License for Personal Baggage.*

A general license has been issued permitting exportation to all destinations of the following classes of articles (subject to the limitations in paragraph 3 below) when shipped in the passenger's or crew member's baggage solely for the owner's own, or for his immediate family's use and for noncommercial purposes:

1. Articles that passengers may export:

(a) Household articles. Includes furniture, refrigerators, radios, decorations, and other household furnishings.

(b) Personal effects. Includes clothing, books, toilet articles, souvenirs, articles of personal adornment, and similar articles.

(c) Professional instruments and "tools of trade," including typewriters, which have been used by the passenger in his occupation, profession or employment.

(d) Passenger automobiles, when the personal property of persons departing from this country, and not being exported for purposes of resale. The passenger must file with the collector of customs an affidavit certifying the exportation is not for resale.

2. Articles that crew members may export:

(a) Personal effects. Includes clothing, books, toilet articles, souvenirs, articles of personal adornment, and similar articles.

3. Limitations on use:

(a) Crew members and passengers of vessels operating under the jurisdiction of countries other than those numbered 1 through 81,[1] Iran (88), Iraq (89), Ireland ( 90), Liberia (91), Syria (96), and Turkey (99), shall not take under general license as personal baggage radios, radio parts, or food stuffs.

(b) Photographic film may be exported under the general license for personal baggage only as outlined in Comprehensive Export Control Schedule No. 8, pages 85 and 86.

(c) Platinum in the form of jewelry or other articles of personal adornment may be exported under the general license for personal baggage when it is certain that such articles are not intended for resale or for use other than a purely personal one.

(d) All other articles and materials not referred to above which are exported in personal baggage are subject to the usual export license requirements applicable to the commodity and destination concerned.

*II. Allocated Commodities Lost at Sea.*

The Office of Exports will permit those exporters who have made shipments of allocated commodities which were lost at sea to file applications to cover their lost goods. The procedure for filing such applications is as follows:

1. A complete new application, in triplicate, must be submitted.

2. A reference, by number, to the license under which the lost shipments were exported must be given.

[1] See Comprehensive Export Control Schedule No. 8, Countries and Destinations, Group K, see pp. 70 and 71.

3. A certification that the application is being filed to replace allocated goods lost at sea must accompany the application. (New Certificate of Necessity need not accompany such applications.)

*III. Changes in General Licenses.*

| Commodity | Department of Commerce No. (Schedule B unless otherwise indicated) | General License Group | | Effective date of change |
|---|---|---|---|---|
| | | Old | New | |
| Woodworking, sawmill, and logging machinery and equipment.[1] | 7631, 7636, 7638, 7639, and 7750.98. | C | 1, 47 | *1942* Aug. 4 |

[1] The term "woodworking, sawmill, and logging machinery and equipment" means: Borers, dowel machines, edgers, gluing equipment, grinders, jointers, kilns, lathes, matchers, mills, mortisers, molders, routers, sanders, saws, shapers, surfacers, tenoners, trimmers, veneer and plywood machines; and all other machinery and equipment normally used in cutting, shaping, gluing, finishing, or otherwise processing wood and wood products, except machinery used for painting, varnishing, lacquering, and similar purposes.

*IV. Materials Shipped in Metal Drums or Containers.*

It is emphasized that all export license applications involving materials shipped in metal drums and containers must show both the commodity and containers on the same application. As an aid to exporters filing applications for licenses to export commodities in metal drums and containers, a form similar to that below is recommended in answer to questions 13, 14, and 15 of Form BEW 119.

| (13) Quantity to be shipped (See instruction (j) on back of original) | (14) Description of article or material. (Include Department of Commerce number shown in current Comprehensive Export Control Schedule) | (15) Approximate selling price in United States dollars, f. a. s. at port of shipment. State also unit value |
|---|---|---|
| 110 gallons | Ethyl fluid, schedule B, No. 8299.15, @ $6 per gallon. | $660.00 |
| 104 pounds | 2 metal drums, 55-gallon capacity, No. 18 gage, schedule B, No. 6205, @ $2.75 per drum. | 5.50 |
| | Total | 665.50 |
| | Gross weight—984 pounds. | |

Applications for metal containers to contain material previously licensed must also be made in accordance with the above form. Applications listing only containers will not be accepted unless the containers are to be shipped empty and a clear statement to that effect appears on the face of the application.

*V. Price Information on Export License Application.*

1. In filling out the individual license application (Form BEW 119), an applicant is required not only to answer questions 15 and 17, but also in the space under question 17 to state his basic domestic price as authorized by the Maximum Export Price Regulation, as amended, and to indicate a premium, if any. It is insufficient to answer question 17 as it now appears.

2. In answering question 14, which requires a description of the article or material, as far as practicable the description of the article should be complete enough to enable a commodity expert to check the price. More than a general or vague description is often necessary to relate the article accurately to the price shown. Trade names, catalog numbers, or other characteristic trade identifications should be used where they will aid in checking the price.

3. In answer to question 15, the applicant may show the price in his customary form of quotation, such as f. o. b., f. a. s., or other price quotation which he has used in the past. It is necessary, however, not only to specify the particular form of price quotation used but also to indicate the specific inland point or specific port of exit to which the price quotation refers.

4. An exporter who is not the manufacturer or producer of the article should indicate the supplier or probable supplier in answering question 20 and should not give his own firm as the supplier.

5. Failure to supply the information indicated in the above paragraphs may result in the return of the license application.

**No. 398—*Transportation Control Extended to Port of Exit.***

The office of Exports has authorized the publication of the following statement, which is being incorporated in a Current Controls Bulletin:

Exporters may wish to make arrangements with their buyers to cover the additional costs of overland hauls if Government export and transportation controls require that shipments be made from Pacific ports rather than from Atlantic or Gulf ports. The best use of available shipping space makes the choice of ports a necessary factor in the control of the transportation of materials licensed for export. Shipments vital to the needs of the other American Republics and the United Nations must be directed to the least congested ports regardless of the point of origin and the situation of such materials. It is suggested that immediate adjustments of business arrangements be made in order to meet any necessary redirection of shipments without delay or confusion.

## Canada's Hardwood Distillation

The hardwood-distillation industry in Canada showed considerable improvement during the past year, chiefly because of the demand for its products in the manufacture of explosives. Production increased 83 percent in 1941. There were 6 plants in operation, with the output valued at $1,914,176. About 30,000 tons of charcoal were produced and 550,000 gallons of refined methyl alcohol. Other products were formaldehyde, gray acetate of lime, acetone and acetone oils.

## Knells for Bells

Conversion of church bells into materials of war in Bohemia, Moravia, and Germany was recently reported. Now the Italian press says that, because of the scarcity of copper, church bells throughout Italy are to be collected and handed over to armament firms.

## New Books and Reports

(Continued from p. 37)

wan, Burma, British Malaya, and Thailand.

*Available from:* International Secretariat, Institute of Pacific Relations, 129 E. 52nd Street, New York, N. Y.

SOUTH AMERICAN HANDBOOK—1942 EDITION. Trade and Travel Publications, Ltd. 1942. 696 pp. Illus. Price, $1. Contains facts and figures on the whole region, size, physiographical features, population, monetary units, helpful hints for travelers concerning seasons, apparel, hotels, baggage, and so on. Includes information on Mexico, Central America, and a number of islands in the West Indies, also charts, maps, and a 15- by 20-inch folded-in map in colors.

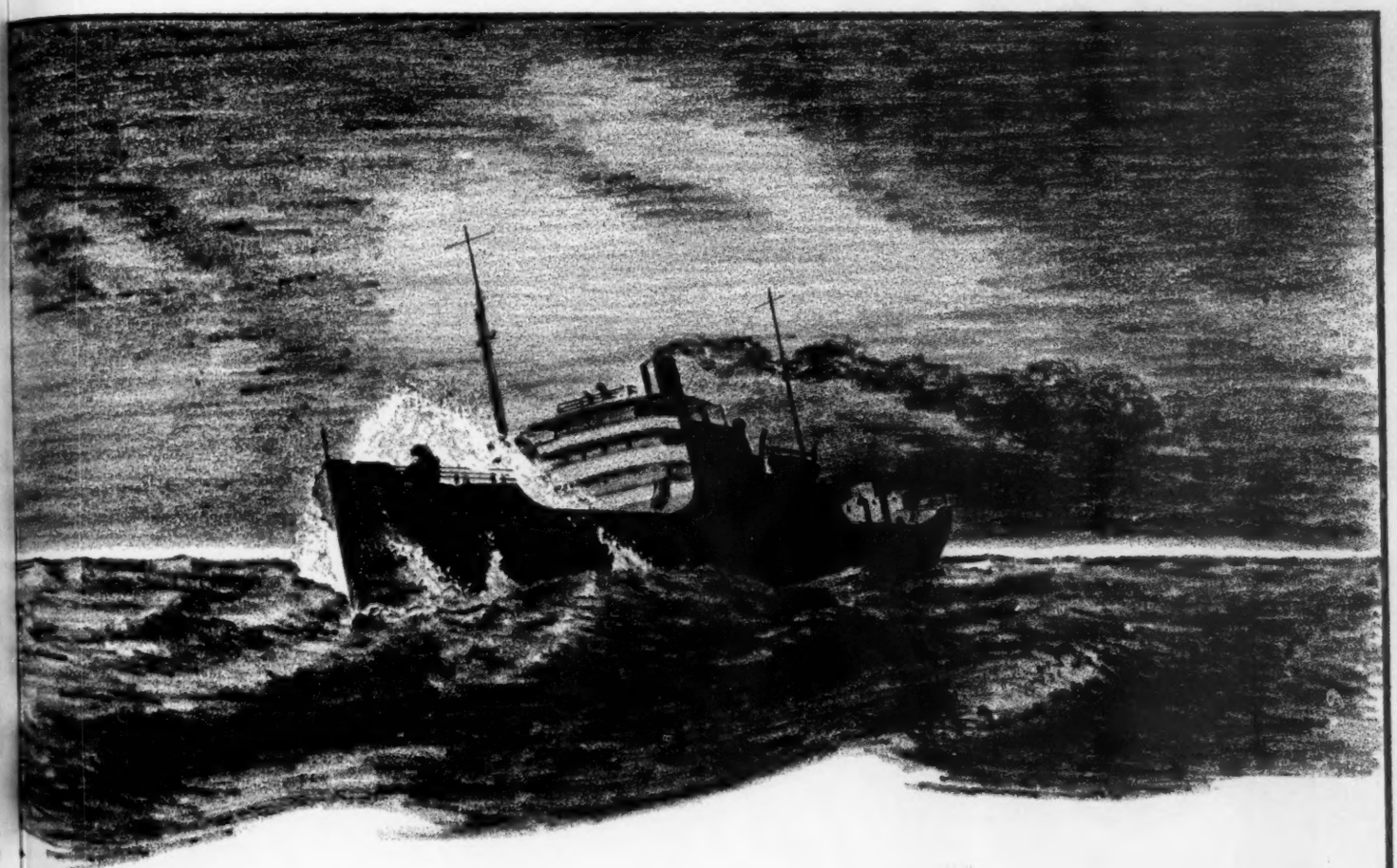
*Available from:* H. W. Wilson Co., 950–72 University Avenue, New York, N. Y.

THE ECONOMIC DEVELOPMENT OF THE NETHERLANDS INDIES. Jan O. M. Broek. 1942. 172 pp. Price, $2. This study forms a part of the documentation of an inquiry organized by the Institute of Pacific Relations into the problems arising from the conflict in the Far East. Discusses the historical background of the Netherlands Indies, the islands and their people, Indies commodities and the world market, recent changes in economic policy, industrial development, foreign trade, and postwar prospects.

*Available from:* International Secretariat, Institute of Pacific Relations, 129 E. 52nd Street, New York, N. Y.

## Lack of "Gas" Hits Uruguay

Uruguayan officials warned recently that the nation's gasoline stocks will be exhausted by the end of July if the present rate of consumption continues. Public motor transport already has been cut to a minimum, while private motoring has virtually disappeared.



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SHIPS FOR VICTORY

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